

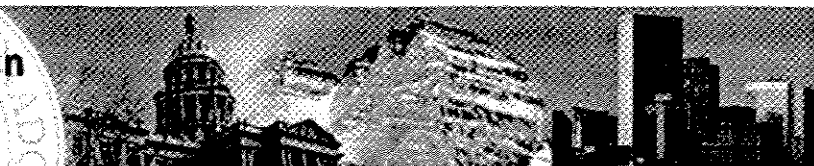


Appendix P:
Sample Copies
of
PUC Relay Colorado Website
Relay Colorado Newsletter
PUC Newsletter

Colorado

The Official State Web Portal

Public Utilities Commission



Relay Colorado

Relay Colorado is a free service that provides full telephone access to people who are deaf, hard of hearing, deaf-blind, or speech-disabled.

Relay Colorado allows text-telephone* (TTY) users to communicate with regular telephone users through trained relay operators. The operator will dial the requested number and relay the conversation between the two callers. The service is available 24 hours a day, 365 days a year, and there are not any restrictions on the number or length of calls. All calls are confidential and records of conversations are not kept.

To use Relay Colorado, simply dial 711. Click the ***Dialing & Using 711*** button to the left to learn more about this service. Other buttons include information about ***Captioned Telephone Services***, ***Related Services***, and ***Relay Questions & Answers***. Additionally, the ***Relay Surcharge Form***, ***Rules***, and ***Statutes*** buttons provide links to other related Relay Colorado information.

Effective January 1, 2007, the uniform charge imposed upon each business and residential access line to fund the Colorado Telecommunications Relay Services for Disabled Telephone Users program, **decreased from ten cents per access line per month to seven cents per access line per month**, to comply with the requirements of § 40-17-103(3), C.R.S. Click the ***Relay Surcharge Form*** button for details.

For further information or assistance, please contact Joe Benedetto, the Public Utilities Commission Relay Administrator, at TTY 303-894-2512, by dialing the nationwide Relay number, 711, or by email: Joe.Benedetto@dora.state.co.us.

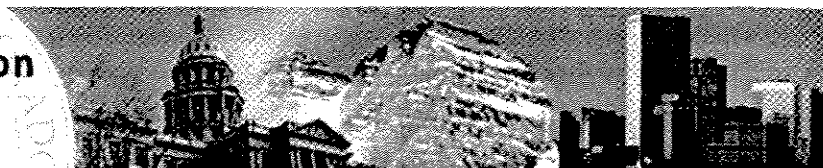
** A Text Telephone, also known as a TTY, TT, or TDD machine, is similar to a typewriter, but it has a cradle where a telephone handset is placed for sending and receiving messages. Users communicate by typing what they wish to say, and reading what the other person types back to them. A user may call directly to another person who also has a TTY machine.*

1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 888-0170 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
Complaints E-Mail
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
E-Mail

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Public Utilities Commission



Caption Telephone Services

The Public Utilities Commission is authorized by state and federal law to administer telecommunication relay services (TRS) in Colorado. The newest Relay Colorado service is Captioned Telephone (CapTel). The following questions and answers provide information about this service.

1. What is Captioned Telephone (CapTel)?

CapTel is an enhanced form of Voice Carry Over (VCO) and began in Colorado on March 12, 2004. It allows callers to listen to another party and read written captions of the conversation in real time, similar to captioned television. CapTel is manufactured by and a trademark of Ultratec, Inc. For more information about Ultratec's CapTel system, click the link to access the company website: <http://www.ultratec.com/info/CapTel.html>.

2. How is CapTel TRS funded?

The monthly six-cent surcharge collected for Relay Colorado TRS is used to fund CapTel TRS.

3. Is CapTel TRS operational all of the time?

CapTel TRS is available 24 hours a day, all year, with no restrictions on the number, length or type of calls.

4. Who is the service provider for CapTel TRS?

Sprint Communications is the current and only provider of CapTel TRS in Colorado.

5. Are CapTel conversations confidential?

As with Relay Colorado TRS, all CapTel conversations are confidential.

6. How much does it cost to use CapTel TRS?

There is no extra charge to use CapTel TRS. Long distance calls are billed to the customer's long distance provider.

7. How do I access CapTel TRS?

Pick up the receiver to a CapTel unit, dial the number you are calling and speak directly to the person.

8. How do I obtain a CapTel unit?

Contact Sprint Communications to purchase CapTel units. The Colorado Commission for the Deaf and Hard of Hearing has a special program for consumers who meet low-

for the Deaf and Hard of Hearing has a special program for consumers who meet low income eligibility requirements.

Sprint Relay
1099 18th Street, Suite 1400
Denver, Colorado 80202

Voice/TTY 800-230-8609
EMAIL:
van.scheppach@mail.sprint.com

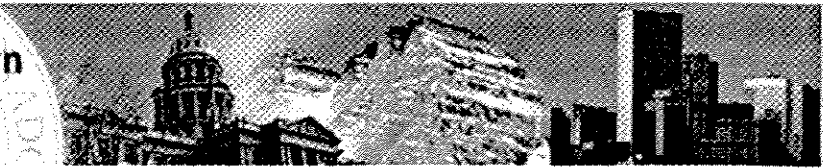
Colorado Commission for the Deaf & Hard of
Hearing
Telecommunications Equipment Distribution
Program
1575 Sherman Street, 10th Floor
Denver, CO 80203

Voice 303-866-4824
TTY 303-866-4734
TTY 303-866-4734
EMAIL: CCDHH.TEDP@state.co.us

1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 888-0170 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
Complaints E-Mail
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
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Colorado The Official State Web Portal

Public Utilities Commission



Dialing and Using 711

Making Calls Using Relay Colorado

When using a standard telephone and calling someone who uses a text-telephone (TTY), the relay operator types the caller's words to the person who uses the TTY and then voices the TTY user's typed words back to the caller. Follow the instructions below:

- Dial 7-1-1.
- When a relay operator answers, provide the telephone number of the person to be called.
- When the person answers, speak directly to the person you are calling, not to the operator.
Example: "Hi Mary. How are you doing?"
- Say "Go Ahead" when ready for the other person to respond.
- When finished with the conversation, end the call by saying "Go Ahead or SK (stop keying)" and then allow the TTY user an opportunity to continue or end the call.

If using a TTY and calling a person who uses a standard telephone, the relay operator voices the caller's typed words to the person using the standard telephone and types the standard phone users' words to you:

- Dial 7-1-1.
- When a relay operator answers, type the telephone number of the person you want to call.
Example: 303-894-2000.
- When the person answers, continue as with a regular TTY call. Direct your conversation to the person you are calling, not to the CA.
- Type "GA" (Go Ahead) when you are ready for the other person to respond.
- When you are finished with your conversation, end the call by typing "GA or SK (stop keying)" giving the person you are calling an opportunity to continue or end the call.

Receiving Calls Through Relay Colorado

- When using a standard telephone and receiving a call from a TTY user, the operator will say, "Hello. A person is calling you through Relay Colorado." The operator will provide their identification number and ask whether you have ever received a relay call. If the answer is no, the operator will explain how Relay Colorado works. If the answer is yes, the call will continue with the operator voicing what the TTY user types, and then typing what the standard telephone user says.
- When answering the phone using a TTY, a message will appear with the operator's identification number. The operator will type the standard telephone user's greeting. The call will continue with the relay operator voicing what the TTY user types, and typing what the standard telephone user says.

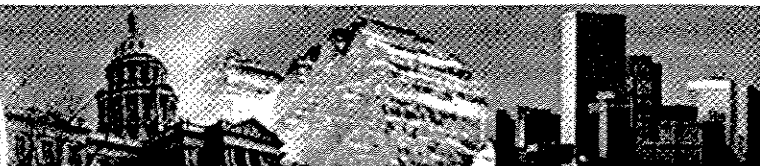
1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 899-0170 - General Issues Toll Free

(800) 800-0110 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
Complaints E-Mail
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
E-Mail

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Public Utilities Commission



Related Services

The list below provides a brief description and telephone number of **Relay Colorado** services available to consumers.

Abbreviated Dialing - 711

711 is the national number to access relay services from anywhere in the United States. Dial 711 to be connected with a Relay Colorado operator.

TTY 1-800-659-2656

The TTY (text-telephone) number allows a person who is deaf, hard-of-hearing, or deaf-blind to use a TTY, and then type a conversation to a relay operator, who then reads the typed conversation to a hearing person. The operator relays the hearing person's spoken words by typing them back to the TTY user. Dialing 711 also accesses this service.

Voice 1-800-659-3656

The Voice number allows standard telephone users to initiate calls to Relay Colorado. When calling a deaf person using a TTY, the relay operator will type the hearing person's spoken words to the TTY user and then read back the typed reply to the hearing caller. Callers may also dial 711 for this service.

Voice Carry-Over (VCO) 1-800-659-2656

The Voice Carry-Over (VCO) number allows hard-of-hearing users to speak directly to hearing people. When a hearing person speaks, a relay agent serves as "ears" and types everything said to a TTY or VCO phone.

ASCII 1-800-659-4656

Computer users may access Relay Colorado directly through the ASCII number. Communications software must be set to the following protocols at speeds ranging from 300 to 2400 baud: 8 Bits No Parity 1 Stop Bit Full Duplex. It may be helpful to set the "time out" to 100 seconds. When calling at a rate of 300 baud or below, follow the above setting using a Half Duplex.

Spanish Relay 1-800-377-3242

TTY users may type in Spanish and the conversations will be relayed in Spanish to the called party. TTY users may also request Spanish to English or English to Spanish translations through the relay. To make a Spanish relay call, dial the Spanish Relay number above and instruct the relay operator how the call should be translated.

Speech-to-Speech (STS) 1-877-659-4279

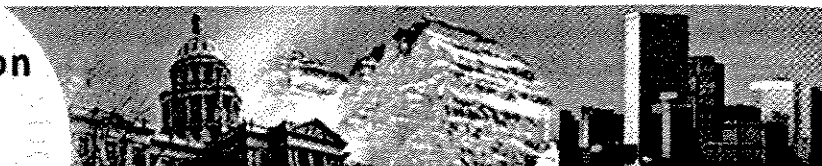
Specially trained relay operators serve as the speech-disabled user's voice and repeat responses to the called party. The operators are trained to ensure that speech-disabled users are heard and understood. An STS user may repeat a message to ensure that it is relayed correctly.

1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 888-0170 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
Complaints E-Mail
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
E-Mail

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Public Utilities Commission



Frequently Asked Questions

1. When did Relay Colorado services begin?

In 1989, the Colorado Legislature granted the Commission for Disabled Telephone Users the authority to establish a statewide telecommunication relay service (TRS). In 1992, the Legislature transferred the relay program to the Colorado Public Utilities Commission (PUC) and eliminated the Commission for Disabled Telephone Users.

2. How is Relay Colorado TRS funded?

The Colorado Relay program is funded by a ten-cent monthly surcharge that is charged to all residential and business access lines.

3. When is Relay Colorado operational?

Relay Colorado is available to users 24-hours a day, 365 days a year. There are no restrictions on the number or length or type of calls.

4. Who administers the Relay Colorado program?

The PUC is responsible for the administration of the program. The administrator is Joe Benedetto.

5. Which company is the service provider for Relay Colorado?

The current state contract for providing Relay Colorado services was awarded to Sprint after a competitive bidding process.

6. Are relay conversations confidential?

Federal law mandates that all relay conversations are kept confidential and that no records be kept.

7. How much does it cost to use Relay Colorado?

There is no extra charge to use Relay Colorado. Long distance relay calls may be billed to a user's preferred long distance provider or if a specific company is not identified, the call will be billed to the user through Relay Colorado's provider, Sprint.

8. How do I access Relay Colorado or relay services in another state?

Simply dial 711 for easy access in Colorado or any other state.

9. What are other important telephone numbers to use for various Relay Colorado TRS?

5. What are other important telephone numbers to use for various Relay Colorado TTS?

Voice Calls	1-800-659-3656	TTY Calls	1-800-659-2656
Spanish Calls	1-800-377-3242	ASCII Calls	1-800-659-4656
VCO Calls*	1-800-659-2656	Speech-to-Speech Calls	1-877-659-4279

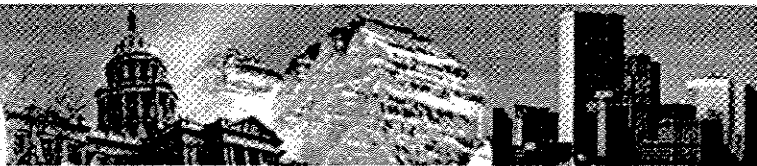
** Voice carry-over or VCO calls allow a deaf or hard-of-hearing person to use their voice to speak directly to a hearing person*

1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 888-0170 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
Complaints E-Mail
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
E-Mail

Colorado

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Public Utilities Commission



Relay Surcharge Information

Effective January 1, 2007, the uniform charge imposed upon each business and residential access line to fund the Colorado Telecommunications Relay Services for Disabled Telephone Users program, is **decreased from ten cents per access line per month to seven cents per access line per month**, to comply with the requirements of § 40-17-103(3), C.R.S.

Every month, no later than the last day of the month for the presiding month, each local exchange provider shall submit the amount due to the Commission and the completed "Colorado Telecommunications Relay Service Surcharge" form.

A copy of the [Relay Surcharge Form](#) is available by clicking the button to the left. This form must be completed and submitted along with any remittance, no later than the last day of the month for the preceeding month, to:

Administrative Services Section
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80203

The uniform charge shall be included in each applicable subscriber's bill as a separate line item and shall be listed as the "Colorado Telecommunications Relay Service Fund".

- See [Decision No. C06-1345](#)

1560 Broadway, Suite 250, Denver, CO 80202
(303) 894-2000 - General Issues Phone
(800) 888-0170 - General Issues Toll Free
(303) 894-2070 - Consumer Issues Phone
(800) 456-0858 - Consumer Issues Toll Free
[Complaints E-Mail](#)
(303) 894-2065 - General Fax
(303) 894-2071 - Transportation Fax
[E-Mail](#)

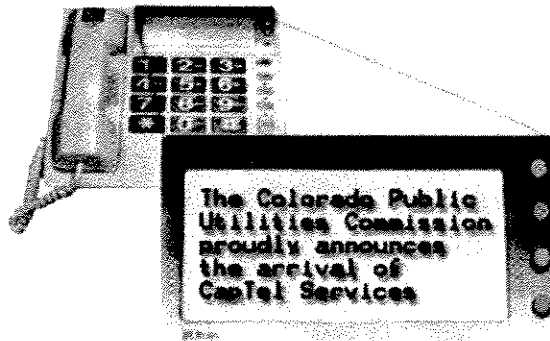
Relay Colorado Today

April 2004 Volume 1 Issue 1

Inside this issue:

CapTel Announcement Check out the website for more details (www.captionedtelephone.com/availability.phtml)	1
From the Relay Administrator's Desk • Welcome Message	2
Lamar Outdoor Marketing • Billboard • Kiosk • Bus	3
Meet Your Acct Manager • Background	3
Taste of Technology	4

Captioned Telephone Service Begins in Colorado



telephone unit that includes a display window. When a call is made from a Captioned Telephone, an operator at the captioning service transcribes everything the other party says into written text. The captions appear almost simultaneously with the spoken word. The phone units are manufactured by Ultratec, Inc. and will be available for purchase from Sprint Communications by deaf and hard of hearing customers.

Colorado residents who meet income requirements will also be able to obtain CapTel units by applying with the Colorado Commission for the Deaf and Hard of Hearing's (CCDHH) Telecommunications Equipment Distribution (TED) Program.

For more information on Captioned Telephone Units, please contact:

Sprint Relay
1099 15th Street, Suite 1400
Denver, CO 80202
Voice/TTY 800-230-8609

Van K Scheppach,
Senior CapTel Account Manager

DENVER – Captioned Telephone (CapTel) Telecommunications Relay Services (TRS) commenced in Colorado on March 12.

This new telecommunications service for the deaf and hard of hearing is considered to be an enhanced form of Voice Carry Over Relay. It allows callers to listen to the other party and read written captions of the conversation at the same time, similar to captioned television.

The service was recently approved by the state of Colorado through the recommendation of the State Relay Administrator and the Public Utilities Commission. Sprint Communications, which currently provides regular relay services for the state, was awarded the contract for Captioned Telephone TRS.

"This new service will provide deaf and hard of hearing citizens who utilize speech with an opportunity to communicate effectively over the telephone by utilizing real-time captions," said Joe Benedetto, State Relay Administrator.

The cost of the captioning service is covered by TRS funds. In Colorado, each residential and business access line is charged six cents per month to pay for relay services.

The Captioned Telephone is a special

To determine eligibility for the CCDHH TED Program for Captioned Telephone units, please contact:

Colorado Commission for the Deaf and Hard of Hearing
Telecommunications Equipment Distribution Program
1575 Sherman Street, 2nd Floor
Denver, CO 80203
Voice 303-866-4824
TTY 303-866-4734

Relay Administrator's Message - An Exceptional Year

This past year was clearly an exceptional one for Relay Colorado. I am honored to report that Relay Colorado is vibrant and innovative. Relay Colorado is fully funded and fully committed to providing exceptional relay access for all of our citizens.

Several important milestones have been achieved. We will review four of these milestones in this message. We are well positioned for future growth in the latest technological developments in Telecommunications Relay Services. We look forward towards further growth and development in 2004 and in the years ahead.

Captioned Telephone Inaugurated

The most notable accomplishment of the year, of course, was the implementation of Captioned Telephone Telecommunications Relay Services (TRS), which commenced on March 12, 2004.

Captioned Telephone, for short, CapTel TRS, will now enable our Hard of Hearing citizens and those Deaf Citizens, who utilize speech, to communicate quickly and effectively over the phone. Captioned Telephone units, which display the other party's spoken words, are available for this purpose. These CapTel units will be available, either retail from Sprint Relay, or via the T.E.D. Voucher Program of the Colorado Commission for the Deaf and Hard of Hearing.

A special note of thanks and appreciation is extended to Sprint Relay for making this new groundbreaking service available.

Relay Colorado Today

This year also marks the inauguration of our Relay Colorado Newsletter. We hope that this newsletter will keep you apprised of the latest developments in Relay Colorado and the industry as well as provide you with information on Relay Colorado contact information. We thank Sprint for their involvement in the production of the relay newsletter and those who made it possible: Diane Sweeney, Layout Editor and Database Manager, Eldon Ragland, Photography and Distribution, and Van Scheppach, Relay Colorado Outreach.

Van's Back, Rex's Gone

A relay is only as good as it's people. In this respect, Colorado has been most fortunate.

We were blessed to have the excellent service of Rex Moers as our Sprint Relay Account Manager for three years, and, while disappointed that he left us, we are happy for his family, which is now united. Rex was most fortunate to have found a new post with Sprint on the East Coast, which enabled him to see his family daily. We wish him the very best.

This being said, we were doubly blessed to get Van Scheppach back. As you know, Van served as our State Relay Administrator previously before moving on to Sprint Relay as a Relay Account Manager, lately of the state of Oregon. Van brings to the job years of background and experience in state government as well as the latest in relay technology, including the newest developments in Captioned Telephone. We welcome Van back to Colorado and wish him the very best as our new Sprint Relay Account Manager for Colorado, Wyoming, and Montana.

Don't Hang Up Campaign

We have begun a Relay Colorado "Don't Hang Up" Outreach Campaign, based upon a similar and successful program begun in Oregon. The program is designed to reduce the number of hang ups on relay callers, which is mostly due to misinterpretation by business of relay calls for telemarketing calls. The program involves contacting Colorado businesses and business organizations such as the Chamber of Commerce on the importance of not hanging up on relay calls. A packet is available, in both Spanish and English, which includes an explanatory letter, a CD disk, a decal, and a poster. The long-term goal, of course, is to reduce the number of hang-ups on relay calls to zero.

A Privilege to Serve

I'd like to thank you for the opportunity to serve our Colorado Citizens as your State Relay Administrator. I want to assure you that my guiding principal – and the Colorado Public Utilities Commission's – is to provide the best possible service at the lowest possible cost.

Towards this end, we have reduced our TRS monthly surcharge rate to six cents per month per line. Yet, at the same time, we have inaugurated Captioned Telephone services, for our citizens deserve no less than the best possible relay services.

We do not operate in a vacuum. By working together we can address any challenge. A spirit of teamwork and co-operation is of the essence. I thank our relay providers at Sprint Relay, my colleagues at the Colorado Public Utilities Commission and the Colorado Commission for the Deaf and Hard of Hearing for their support and for making Relay Colorado services possible for all our citizens. It has been a privilege to serve you.

I look forward towards another outstanding year for Relay Colorado in 2004.



Joe Benedetto
State Relay Administrator

Lamar

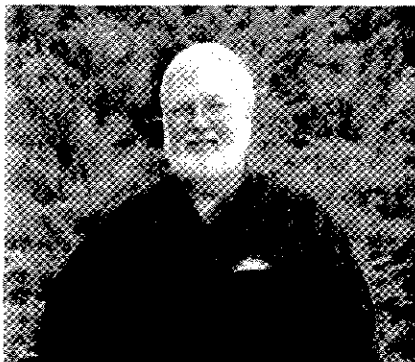
Relay Colorado was delighted to receive local, state and national exposure for our recent "Dial 711" advertising Campaign

Relay Colorado worked closely last Fall with Lamar Outdoor Marketing Inc. to design and promote a three month Relay Colorado marketing campaign. The campaign was designed to develop public awareness of 711 Dialing and held in conjunction with Colorado's September Deaf Awareness Month.

The **Dial 711** ad campaign consisted of 40 Denver Regional Transportation District Kiosk locations, two Lamar billboards, and was highlighted by a number of Downtown Denver Mall Shuttle Bus billboards. The Mall Shuttle billboards provided exposure to thousands of individuals downtown. The Dial 711 Campaign was also featured, on a limited basis, in Colorado Springs, Pueblo, Fort Collins and Glenwood Springs.



Our Account Manager for Relay Colorado



Van K. Scheppach

Van K Scheppach is no stranger to Colorado. Van has served our Colorado Deaf Community for almost 12 years as a teacher at the Colorado School for the Deaf and Blind in Colorado Springs. Van later served as Executive Director of the Denver Center on Deafness for over 3 years. Van was hired by the Colorado Public Utilities Commission to be our second Relay Colorado Administrator. As our State Relay Administrator, Van was responsible for monitoring the relay contract with Sprint until 1994 when he accepted an out of state position with Sprint. Van has been employee of Sprint for 10 years now. Van is happy to be back in Colorado as our Relay Colorado Account Manager. His previous Sprint assignment was that of Account Manager for the Oregon Relay Service. Van is glad to be back in Colorado with his old friends and family and enjoys working with our Relay Colorado consumers. Van has been promoted to CapTel Senior Account Manager for Colorado. He will be responsible for CapTel Service in Colorado. He will be traveling a lot within the State promoting and training hard of hearing consumers about CapTel service.

Taste of Technology Results

On September 27th, as we ended the Deaf Awareness Month our annual Taste of Technology was a success. Approximately 170 individuals attended our annual exhibit of all of our Relay Colorado and Sprint relay products. Everyone had the opportunity to try out the new features. Most popular was the video relay on TV, and CapTel. Everyone attended had enjoyed the experience. Enclosed is a photo of the attendees.

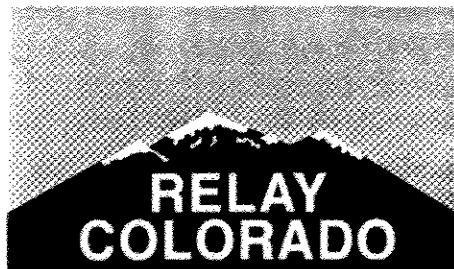


SIGN UP For Relay Colorado Today

Name: _____

Address: _____

Send to Relay Colorado



1099 18th St. Suite 1400
Denver, CO 80202-1911

Phone: 800-230-8609 TTY

Fax: 303-801-3868

E-mail: van.scheppach@mail.sprint.com

www.RelayColorado.com

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2007

STARTING POINT



By Doug Dean
Director

We've had about two months now to settle into our new offices within DORA, and for the most part, I'm extremely pleased with our new location. The feedback from staff and others who conduct business here has been very positive. Of course, there are always some glitches that are going to occur, and we are working to address those as quickly as we can.

After 22 years in the previous building, it was no small task to pack up all the offices, files, libraries, archives, phones, computers and other equipment and transport it four blocks down the street in the span of a weekend. But thanks to the tremendous efforts of DORA, PUC staff and the movers, we were able to shut down on a Friday afternoon and open for business at 8 a.m. the following Monday with a minimum of disruption and very few "misplaced" items.

Although it seemed strange to be in a new building (though I had been here previously with the Division of Insurance), the advantages of the new location quickly became apparent. New cubicles and offices provided much nicer working areas. The layout, with everyone on the same floor, is much more efficient. And, overall, the floor plan and design conveys a much more professional atmosphere for staff and visitors.

It is also a benefit to now be housed under the same roof as the rest of DORA's divisions and boards, executive office and support staff. And, for me, it's been delightful to see staff out enjoying themselves on the 16th Street Mall at lunchtime.

As mentioned previously, there are still some bugs to be worked out. We still have a few "climate change" issues of our own to worry about, but we are working diligently with building management to resolve the temperature issues.

It also became clear very early on that Hearing Room A would need some significant modifications. We essentially decided to start from scratch, moving the rail back to create more room up front, and redesigning the shape of the commissioners' bench and witness box to improve the sight lines during hearings. Although the changes will result in fewer seats in the audience area, there still will be more seating capacity than at the old location.

These improvements to Hearing Room A should be completed within a short period of time. Once they are finished, I think everyone will be much more pleased with the hearing room arrangements.

(Continued on page 2)

Chairman brings new energy to PUC

Binz sees 'revolution' driven by policy shift at state, federal level

New Public Utilities Commission (PUC) Chairman Ron Binz is something of a regulatory history buff, having researched a few of the PUC's more colorful commissioners over its history. But while he finds the Commission's history fascinating, it's the days ahead that really pique his interest.

"These will be some of the most interesting times in the PUC's 98-year history. This is not mere rhetoric," said Binz, who is three months into his four-year term as the new PUC chairman.

"Big changes are in store on the transportation side of the house, as we glimpsed in the legislature this year," he said. "On the fixed utilities side, we are facing nothing short of a revolution."

That revolution, Binz noted, is being driven in Colorado by Gov. Ritter's energy and telecom agenda and by a shift in national energy and environmental policy.

"That said, our mission is unchanged—ensuring that consumers get safe, reliable and high-quality service at fair prices," Binz said. "I look forward to working with my colleagues on the Commission and with everybody on the staff to meet these challenges."

Binz, a regulatory consultant and former head of the Colorado Office of Consumer Counsel (OCC), was appointed by Gov. Bill Ritter in January to replace Greg Sopkin. His term runs through January of 2011. The three-member PUC, which



Administrative Law Judge Mana Jennings-Fader (left) administers the oath of office to new PUC Chairman Ron Binz in January.

includes fellow commissioners Polly Page and Carl Miller, regulates Colorado's investor-owned telecommunications, gas, electric and water utilities, as well as for-hire motor carriers.

"These will be some of the most interesting times in the PUC's 98-year history."

PUC Chairman Ron Binz

"Throughout his distinguished career, Ron has demonstrated a common-sense understanding of how public policy and utility-company operations intersect and impact the lives of ordinary people," Gov. Ritter said in making the appointment. "His fact-based approach allows him to see all perspectives. The people of

Colorado and our utility industry will be well-served with Ron as chairman of the PUC."

Binz was the state's first utility consumer advocate, serving as the first director of the OCC from 1984 to 1995. He later was president of Public Policy Consulting, and was recognized as a national expert in telecommunications and energy-industry policy and regulatory issues. During that time, he served on two high-level advisory commissions to the Federal Communications Commission.

The switch from advocate to decision-maker has come without difficulty, thanks in part to the efforts of PUC staff, Binz noted.

"I'm very impressed with the competence and dedication of the Commission staff," Binz said. "I appreciate the way everybody has worked together to offer me a smooth transition to this job. The briefings I've received have been top-notch."

Gov. Ritter early visitor to new offices



Gov. Bill Ritter (left) and PUC Chairman Ron Binz stand in front of photos of past commissioners during a tour of the new PUC offices in March.

One of the first visitors to the Colorado Public Utilities Commission's (PUC) new offices in March was Gov. Bill Ritter.

Ritter toured the PUC's remodeled space as part of a visit to the Department of Regulatory Agencies (DORA), where the governor shared his vision and philosophy for the department, and encouraged state employees to suggest improvements in state government.

The governor's visit came just eight days after the PUC had moved from 1580 Logan St. to 1560 Broadway, joining the rest of DORA's boards and commissions in a single building. The PUC and the Office of Consumer Counsel share the second floor of the building, the former location of The Denver Post newspaper.

For correspondence, the PUC's new address is: 1560 Broadway, Suite 250, Denver, CO 80202. The Commission's telephone numbers and e-mail addresses did not change as a result of the move.

PUC staff members chosen for two DORA awards

Public Utilities Commission (PUC) employees captured two department-wide performance incentive awards this year. The DORAwards, announced in March, will be presented at the Department of Regulatory Agencies' annual employee appreciation reception in May.

Criminal investigator John Opeka claimed the Peer Service Award, and the 2006 electric rate case trial staff team won the Executive Director's Productivity Award. Members of the team included Gene Camp, Ron Davis, Inez Dominguez, Jerry Enright, Billy Kwan, Bridget McGee-Stiles, Rich Mignogna, Jonell Poley, Ellie Friedman, Bonnie Ford, Bill Harris, Larry Shiao, John Trogonoski, Karl Kunzie, and Julie Haugen.

The DORAward program was begun in 2001 to recognize outstanding performance by individuals and teams in customer service at the department level.

The Peer Service Award is for an employee or group of individuals providing assistance or encouragement to fellow state employees beyond what is expected as part of the job. Opeka played a significant role in the successful effort to upgrade the PUC transportation enforcement staff to criminal investigator status. He also volunteers as the unit's lead field training instructor for new investigators and serves as an invaluable resource to his fellow investigators, supervisors and staff both within the PUC and to outside departments as well.

"In addition to handling his busy caseload with an exceptional degree of professional excellence and productivity, John has spent countless hours providing guidance and documentation supporting our goal of having the equipment and tools necessary to efficiently and safely perform our duties as State Peace Officers within the PUC," noted his nomination form.

The Executive Director's Productivity Award is for a group of DORA employees or a team demonstrating outstanding initiative and creativity that results in improved service to customers, greater efficiency and effectiveness, or cost savings. The trial staff team was recognized for its work on the 2006 Xcel electric rate case.

The group worked together to file

testimony and prepare for a three-week evidentiary hearing, and ultimately negotiated a settlement that reduced the proposed increase to customers by more than \$70 million and avoided the high cost of litigating a three-week hearing.

The rate case also enabled staff to create a new regulatory framework for Xcel Energy that will probably suffice for a decade or more.

As part of the recognition, Opeka will receive a \$200 cash award. The trial staff rate case team will share a \$2,000 award.

Other PUC employees nominated but not selected for DORAwards this year were: Terry Willert, Bob Laws, Sandi Kahl, Joe Molloy, and Deborah Collette.



Mana Jennings-Fader

Here's a bit of friendly advice for witnesses who might want to bend the truth when testifying before PUC Administrative Law Judge (ALJ) Mana Jennings-Fader—she knows when you are bluffing.

In her spare time, Mana is an avid poker player and would like to deal poker professionally after she retires from the PUC.

As one of five ALJs at the Commission, Mana presides at hearings and workshops, writes recom-

INSIDE CONNECTIONS

mended decisions and interim orders and handles dockets assigned for disposition by the Commissioners. She was hired as an ALJ in August of 2002, after serving as an Assistant Attorney General representing the Commissioners and PUC staff since 1990.

"I like the variety of the work, the challenge of the work and, especially, the people at the Commission," she said. "I am constantly amazed at both the tremendous volume of the work and at the consistently high quality of the work performed by Commission personnel. The folks here keep me on my toes, and I relish that challenge."

Mana earned her bachelor's degree from the University of Wisconsin and her law degree from Georgetown University Law Center. She is a member of the bar in three states and the District of Columbia. She worked as a judicial law clerk following graduation from law school, and worked at various legal jobs within the U.S. Consumer Product Safety Commission in Washington, D.C., for about 12 years before taking a job with the Colorado Attorney General's Office.

Not surprisingly, one of her favorite quotes comes from the late U.S. Supreme Court Justice Thurgood Marshall, "History teaches that grave threats to liberty often come in times of urgency, when Constitutional rights seem too extravagant to endure."

When not at work, Mana enjoys reading, gardening, knitting/crocheting, following professional and college sports teams, walking and playing with her three dogs, and playing and dealing poker, especially Texas Hold 'Em. She wants to be a professional poker dealer in the future.

In addition, over the past several years, Mana has taken up hunting and has applied for a combined license to hunt deer and elk this fall.

"Work and play hard," she advises. "Take pride in what you do, no matter what it is; and 'fess up to, and learn from, mistakes when you make them. When you reach a stumbling block or bump in the road, then it's D-G-M (deal with it, get over it, move on)!"

(Inside Connections will feature a PUC employee each edition as selected by PUC section chiefs.)

POSITIVE CHARGES

Welcome to the following additions to the PUC staff: William Dalton, an engineer in the Fixed Utilities section; Mike Hydock, a rate analyst in the Policy Advisors section; Fred Johnson, an investigator in the Gas Pipeline Safety unit; Chris Lowe, a fiscal officer in the Administrative Services section; and John Reasoner, an engineer in the Policy Advisor section.

William Dalton



Mike Hydock



Fred Johnson



Chris Lowe



John Reasoner

Consumer affairs unit expands complaint role

The Public Utilities Commission (PUC) has consolidated all of its consumer complaint functions within the Consumer Assistance unit.

Starting at the first of the year, the Consumer Assistance group, headed by Doug Platt, began taking complaints involving transportation companies, in addition to those concerning fixed utilities, such as Qwest and Xcel Energy. Previously, transportation complaints were handled separately within various units of the Transportation section.

"Consumers who have complaints,

inquiries or concerns about any regulated utility now need only one phone number to obtain assistance from PUC staff," Platt said.

In addition to phone, electric, gas and water issues, consumer assistance specialists now handle complaints concerning household goods movers, towing companies, taxis and other passenger carriers. The specialists refer the complaints to the company for resolution, and ensure that the utility is complying with PUC rules and state law. If a field investigation is needed, the complaint is forwarded

to the Transportation section for follow-up.

For the first three months of 2007, the Consumer Assistance unit handled 92 transportation complaints.

To file a complaint about a transportation company, or any other regulated utility, call the PUC Consumer Assistance office at 303-894-2827 (Denver metro area) or 1-800-456-0858 (outside the Denver metro area). Complaints may also be filed via the Internet at the following link: http://www.dora.state.co.us/pla/real/CCTS_oWEBtrans_complaint_form

Universal service surcharge jumps in April

The Colorado universal service surcharge, paid by telephone customers to help keep basic local service affordable across the state, increased to 2.7 percent on April 1, 2007.

Based on a local telephone bill of \$30 a month, the change will add another 33 cents to a customer's monthly bill. The increase is required to meet the fund's targeted reserve balance for 2007. The surcharge was 2.9 percent for the first nine months of 2006 and was decreased to 1.6 percent for the fourth quarter. The Colorado

Public Utilities Commission (PUC) reviews the fund on a quarterly basis and adjusts the surcharge as necessary.

Money from the fund is used to reimburse local telecommunications providers that serve areas with higher than average costs. This allows local phone rates to remain reasonably comparable across the state.

Most Colorado telecommunications customers pay the surcharge, which is assessed as a percentage of a customer's in-state monthly telecommu-

nications charges for local, wireless, paging, in-state long distance and optional services.

The Colorado Universal Service Charge was established in 1999 at 3.2 percent of intrastate retail revenues and had steadily decreased to 2 percent until 2006, when an increase was necessary to offset a projected decline in contributions due to the growth in Internet phone service. Internet phone services currently are not subject to the Colorado universal service surcharge.

Starting Point

(Continued from page 1)

I want to thank everyone—staff and those outside customers who do business here—for your patience during this reorganization. Ultimately, the goal is to help us provide better service to the people of Colorado. I think we're well on our way.

CONNECTIONS is the newsletter of the Colorado Public Utilities Commission. It covers Commission news and stories of importance to consumers, utilities, consumer groups and other stakeholders.

Comments, suggestions and requests for more information should be directed to:

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Public Utilities Commission
1000 Broadway, Suite 100
Denver, Colorado 80202

Photographer: Tony Jones

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Legislature doubles renewable energy benchmarks



The Colorado Legislature has approved a bill doubling the renewable energy standard established by voters

with the 2004 passage of Amendment 37.

The legislation, signed by Gov. Bill Ritter on March 27, requires Xcel Energy and Aquila Inc. to produce 20 percent of their energy from renewable sources by 2020. Municipal utilities with 40,000 customers or more and rural electric associations, most of which had been excluded under the requirements of Amendment 37, must meet a 10 percent renewable standard by 2020.

Under the new law, the Public Utilities Commission (PUC) has until October 1, 2007 to revise its renewable energy standard rules to reflect the higher standards.

For Xcel Energy and Aquila, the new standards require that 3 percent of their retail electricity sales be derived from renewable resources in 2007; 5 percent

for the years 2008 through 2010; 10 percent for the years 2011 through 2014; 15 percent for the years 2015 through 2019; and 20 percent for the years 2020 and thereafter. Of the required renewable amount, at least four percent must come from solar electric generation technologies.

As a means to encourage economic development in Colorado, the renewable energy standard allows utilities to count each kilowatt-hour (kWh) generated in Colorado as 1.25 kWh for purposes of compliance with the standards.

For rural electric associations and municipal utilities with more than 40,000 customers, the new standards require that 1 percent of retail electricity sales come from renewable sources for the years 2008 through 2010; 3 percent for the years 2011 through 2014; 6

percent for the years 2015 through 2019; and 10 percent for the years 2020 and thereafter. Each kWh of electricity generated at a community-based project will be counted as 1.5 kWh for purposes of compliance.

For customers of utilities other than rural electric associations, the law increases the maximum retail rate impact to 2 percent of the total electric bill annually for each customer, up from the 1 percent maximum contained in Amendment 37. For customers of rural electric associations, the cap is 1 percent.

In addition to increasing the renewable energy standards, lawmakers also approved a bill requiring utilities to identify and improve transmission capacity to carry new renewable energy sources, while allowing them to recover the upgrade costs during construction.

Alamosa PV plant something new under sun

Construction has begun in Colorado on what is being touted as the largest photovoltaic solar electric generation plant in North America.

SunEdison, Xcel Energy and Gov. Bill Ritter took part in a ground breaking ceremony on April 23 at the site in Alamosa. The 8.2 megawatt facility is part of Colorado's statewide renewable energy initiative, and will help Colorado reach its renewable portfolio goal of 20 percent by 2020.

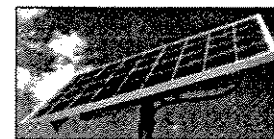
The Colorado Public Utilities Commission (PUC) in February

approved a Solar Energy Purchasing Agreement (SEPA) between Xcel Energy and SunE Alamosa, LLC. Under the contract, which was the first of its kind in Colorado, Xcel Energy will purchase the electricity generated by the plant to help it meet the solar requirements of the renewable energy standards first adopted by Colorado voters in 2004 and increased by the legislature this session.

The purchasing agreement calls for the facility to be in operation by Dec. 31, 2007 in order for Xcel Energy to start generating solar renewable energy

credits as soon as possible. It will also ensure that the developer, SunE Alamosa, LLC, can take advantage of a 30 percent federal investment tax credit available for non-utility solar facilities placed into service before Jan. 1, 2008, which will benefit Colorado ratepayers.

The PUC found that the agreement was reasonable and in the public interest and noted that it was not opposed by any of the parties to the legal case heard by the PUC. However, the PUC also found that the bidding process used for the solar facility



did not fully comply with its rules.

"In future similar filings, we expect a full, open and well-documented bid evaluation and award process," the commissioners said in their written decision approving the contract. "Doing so will ensure cost effectiveness and prudence of the project, resulting in the lowest cost to Colorado ratepayers."

Bill requires background checks for taxi, limo drivers

Drivers of taxis, luxury limousines, and certain other types of passenger carriers must submit their fingerprints to the Colorado Public Utilities Commission (PUC) for criminal background checks under a new law approved by the Colorado Legislature.

House Bill 1065, which was passed and sent to the governor's desk in April, would disqualify people with certain criminal offenses from driving commercially. The law applies to taxi companies and Article 16 passenger carriers, which include luxury limousine, charter scenic bus, off-road scenic charter, children's

activity bus and fire crew transport services.

Under the bill, prospective drivers must submit a set of fingerprints to the PUC. Drivers currently employed have 30 days from the effective date of the law to comply with the requirements. The PUC will forward the fingerprints to the Colorado Bureau of Investigation (CBI), which will conduct a state and national criminal background check utilizing CBI and FBI records. Results will be reported to the PUC.

Individuals will be allowed to drive in connection with their employment,

pending the results of the background check, for up to 60 days after the PUC forwards the fingerprints to the CBI.

Individuals will be disqualified and prohibited from driving if the criminal background check reveals that:

- The individual was convicted in Colorado of a crime of violence (as defined by statute) within the last 10 years; or convicted of a comparable offense in any other state;
- The individual was convicted of driving under the influence, driving with excessive alcoholic

content, driving while ability impaired, or driving while an habitual user of a controlled substance (as defined by statutes) within the last two years; or convicted of a comparable offense in any other state.

Companies and/or individuals who violate the provisions of the bill are guilty of a Class 2 misdemeanor.

The bill directs the PUC to promulgate rules concerning the employment and retention of drivers consistent with the requirements of the bill.

Aquila seeks approval to sell electric, gas business in state

Aquila, Inc. filed in April an application with the Public Utilities Commission (PUC) to transfer ownership and control of all of its electric and natural gas utility operations in Colorado to Black Hills Corporation of South Dakota.

The proposed transfer is part of two larger transactions, announced in February, in which Aquila is seeking to sell off electric and gas operations in Colorado, Kansas, Nebraska and Iowa before its remaining assets are acquired by Missouri-based Great Plains Energy. PUC review of the proposal is expected to take several months.

In Colorado, Aquila currently serves about 92,000 electric customers in 21 communities, including Pueblo, Canon City, Rocky Ford and Florence. It also provides natural gas service to about 64,000 gas customers in 27 communities, including Castle Rock, Larkspur, Monument, Widefield and Woodland Park.

Black Hills currently provides retail natural gas and electric service to

approximately 137,000 customers in South Dakota, Wyoming and Montana. It also provides wholesale energy production and marketing throughout the western U.S. and western Canada. The acquisitions in the four states will add about 616,000 new utility customers to Black Hills' overall operations.

If the transaction is approved, Black Hills said it will provide utility service in Colorado under the legal names of Black Hills/Colorado Electric Utility Company (BH/CO Electric) and Black Hills/Colorado Gas Utility Company (BH/CO Gas). The trade names under which BH/CO Electric and BH/CO Gas will do business in Colorado will be determined and announced at a later date.

In its application, Black Hills stated that it will initially provide service to Colorado customers at the same rates and tariff conditions currently provided by Aquila.

If regulatory approvals are obtained, Aquila said it expects the transactions to close in early 2008.

Aquila gas commodity rates reduced; bills cut 13 percent

The Colorado Public Utilities Commission (PUC) has approved an interim decrease in natural gas commodity rates for Aquila that will reduce residential customer bills by about 13 percent a month.

Monthly bills for commercial and industrial customers were expected to go down by about 17 percent. The new rates took effect on May 1.

A gas cost adjustment is used by utilities to pass through to their customers market fluctuations in the wholesale price of natural gas. Wholesale prices were deregulated by the federal government in the 1980s.

Both increases and decreases in the cost of purchasing natural gas are passed along to customers on a dollar-for-dollar basis. The utility does not make any profit from the gas commodity itself.

Xcel Energy, Colorado's largest gas utility, adjusts retail gas prices on a monthly basis to reflect changes in wholesale prices. Other gas utilities, such as Aquila, typically file an annual

gas cost adjustment each fall. However, PUC rules allow for utilities to make adjustments more frequently if prices swing significantly up or down. In its application, Aquila stated the decrease was due to lower wholesale natural gas costs.

Under the new rates, a residential customer using 167 ccf of natural gas during peak monthly usage periods, typically during the colder winter months, would see a monthly bill of approximately \$147.70, compared to \$171.98 at the old rate. The decrease over a 12-month period will average \$12.45 per month.

The bill for commercial customers with average monthly usage of 403 ccf will be \$295.40, compared to \$344.24. The average decrease over the 12-month period will be approximately \$48.84 per month.

Aquila serves approximately 62,000 natural gas customers in Colorado in the following counties: Cheyenne, Douglas, Elbert, El Paso, Kit Carson, Lincoln, Teller, Washington and Yuma.

Hearings on Xcel gas rate proposal set June 4-8

The Colorado Public Utilities Commission (PUC) will hold hearings June 4-8 on a proposal by Xcel Energy to increase its natural gas distribution rates by \$41.5 million annually.

A public comment hearing has been scheduled from 4-7 p.m. on Monday, June 4, at the PUC, 1560 Broadway, Suite 250, in Denver.

Xcel's proposal would increase residential customers' monthly bills by about 3.3 percent. The PUC last approved a base rate increase for Xcel Energy's gas customers in 2005, adding about 73 cents a month, or 0.92 percent, to a typical residential customer bill.

The base rates for the natural gas distribution system are separate from the rates for the gas commodity itself, which as passed on to customers on a dollar-for-dollar basis through a separate monthly charge. Xcel Energy receives no profit from the monthly gas cost adjustment.

If approved by the PUC, the new proposal would increase a typical residential customer's bill by about \$2.10, to \$65.06 per month, based on an average use of 65 therms. The average bill for a commercial customer would increase by \$7.14, or 2.4 percent, to \$300.96 per month, based on an average usage of 329.9 therms.

As part of the case, the company is asking the PUC to set a new authorized rate of return on equity of 11 percent, up from its currently authorized 10.5 percent. The return on equity is the profit that a utility is authorized to earn, but it is not guaranteed.

Xcel Energy also has proposed an adjustment to recover distribution costs associated with declining customer gas usage, not related to weather. This proposed three-year pilot program, known as "partial decoupling," would adjust the company's annual revenues received from residential customers from year to year to

compensate for reductions in gas use, such as through energy efficiency or conservation measures. The company estimates that the typical monthly gas bill would increase by about 18 cents if the program is approved.

Customers may submit written comments about Xcel Energy's proposal by sending them to the PUC, 1560 Broadway, Suite 250, Denver, CO 80202. Comments should be addressed to Docket No. 06S-656G and should be received by June 4. Comments may also be submitted electronically at:

http://www.dora.state.co.us/pls/real/CCTS_sWEB.comment_form

'Call Before You Dig' 8-1-1 code activated

Implementation of the 8-1-1 code as the nationwide number for contractors and others to call before conducting excavation activities occurred in April in accordance with the target date established by the Federal Communications Commission (FCC).

The FCC in 2005 designated 8-1-1 as the national abbreviated dialing code to be used by state One-Call Notification Systems for providing advance notice of excavation activities to utilities and underground facility operators. The FCC set a deadline of April 13, 2007 for all telecommunications service providers to comply with the deployment of 8-1-1.



**Know what's below.
Call before you dig.**

In Colorado, Gov. Bill Ritter declared May 7-11 as "Dig Safely Week" as a way to remind excavators,

contractors and homeowners that state law requires them to call before starting any excavation or digging project. A rally was held at the state Capitol to promote the message, "8-1-1. Know what's below, call before you dig."

The Public Utilities Commission (PUC) approved an application by the Utility Notification Center of Colorado (UNCC) last year for assignment of the 8-1-1 dialing code in Colorado, and implementation efforts began shortly thereafter.

UNCC is the statewide notification association of owners and operators of underground facilities created by the Colorado Legislature in 1981. UNCC, a non-profit corporation, serves as a communications link between excavators and the member facility owners and operators to provide crucial information regarding the location of underground facilities.

By law, an excavator must contact UNCC at least three days prior to any excavation work. UNCC notifies the member facility owner or operator of the planned excavation and the facility owner marks the location of the underground facility. The "one call" process greatly reduces the likelihood of damage to underground facilities and the likelihood of injury to any person working at an excavation site.

The 8-1-1 dialing code will make it even easier for excavators to comply with the requirements of Colorado's "call before you dig" law. Excavators can dial 8-1-1 from anywhere in the state. There is no charge for the call or the marking of underground facilities.

KM completes sale of retail natural gas operations in Colo.

Kinder Morgan, Inc. has completed the sale of its retail natural gas operations in Colorado and surrounding states to a subsidiary owned by GE Energy Financial Services and Alinda Investments LLC.

Other than a name change, which is expected to be announced in mid-May, customers should expect no noticeable changes in the operation and management of their local utility service, according to GE and Kinder Morgan officials. Customer rates will not change as a result of the transaction.

Before the sale, Kinder Morgan provided natural gas service to about 66,000 customers in three service areas in Colorado. The Northeast Colorado Area includes the towns of Akron, Haxtun, Holyoke, Julesburg, Wray, and Yuma. The Western Slope and North Central Colorado Area includes the towns of Aspen, Glenwood Springs, Delta, Montrose, Ouray, and Telluride on the Western Slope and Frederick, Firestone, Dacono, and Wellington along the Front Range. The Arkansas Valley and Western Slope Area (acquired from Citizens Utilities) includes the towns of Las Animas, Crowley, Fowler, La Junta, Pagosa Springs, and Rocky Ford.

Headquarters for the new retail distribution entity will continue to be located in Lakewood with most of the same personnel who managed retail operations for Kinder Morgan.

The Colorado Public Utilities Commission (PUC) approved the transaction in March. In addition to Colorado, Kinder Morgan also sold its retail distribution and related operations in Nebraska and Wyoming.

Qwest refunded \$231,025 for telephone outages in '06

Qwest provided \$231,025 in bill credits in 2006 to customers who experienced service outages lasting longer than 24 hours, according to the company's annual service quality report.

The bill credit amount was down slightly from the previous year, when Qwest refunded \$258,292 for outage reimbursements.

Under the provisions of a 2005 regulatory agreement, Qwest customers receive an immediate bill credit of \$14.88 for residential service or \$34.51 for business service—the equivalent of the basic monthly rate—if an outage is not repaired within 24 hours. Certain situations are excluded, such as no access provided by the customer; if the customer requests a repair date beyond 24 hours; fire; trouble on the

customer's side of the network interface device; extraordinary acts of nature, such as floods; and catastrophic events, such as major cable cuts.

Under the regulatory plan, Qwest must also refund money to all customers if it fails to answer 85 percent of the calls to its repair center in 60 seconds or less. For 2006, the company met the threshold and no refunds are required.

QWEST BILL CREDITS

Year	Amount
2004	\$436,485
2005	\$258,292
2006	\$231,025

Dialing Codes Used in Colorado

2-1-1	Government Information and Referral Services
3-1-1	Non-Emergency Police and Government Services
4-1-1	Directory Assistance
5-1-1	Travel and Information Services
7-1-1	Telephone Relay Services for the Hearing Impaired
8-1-1	Call Before You Dig Notification
9-1-1	Emergency Services

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NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

JANUARY 2007

STARTING POINT



By Greg Sopkin
Chairman

Back in 2003 in the Connections newsletter I made the statement that "I look forward to a great four years." Now at the tail end of my service, I can, indeed, say it has been a great four years in many ways. It has been exciting, rewarding, sometimes trying, but always eventful.

- We experienced the filing of numerous rate cases from Xcel Energy and Aquila, representing a new era of rising costs. While our staff had not seen many rate cases in the previous 10 years, it more than stepped up to the challenge with in-depth investigation, analysis and recommendations. Some seemed to even enjoy the process.
- We restructured telecommunications regulation in Colorado, eliminating zone charges, expanding local service areas, deregulating toll services, and lessening the regulation of certain services where there is market competition (at long last implementing Warren Wendling's beloved acronym for zones of competition, "ZOC").
- We approved new transmission lines and the first new coal plant in Colorado in decades to ensure reliable electric service at a reasonable price. We also promulgated rules to implement the first-ever renewable portfolio standard in Colorado.
- We traveled to many venues, including Colorado Springs, Fort Collins, Grand Junction, Leadville, Pueblo, Steamboat Springs, and Telluride. We heard the people of Colorado give their thoughts on rate increases (rarely liked), generation choices, and telecommunications regulation.
- We presided over the demise of the Fort St. Vrain Rider, the IAC, QPCCA, ICA, and other modelless acronyms.
- We experienced huge increases in the commodity price of natural gas affecting both gas and electric rates throughout the state. We did our best to address this by implementing a monthly gas cost adjustment (and soon to be quarterly electric commodity adjustment), requiring greater hedging in utilities' gas and electric departments, and begging the state for more low-income consumer support.
- We cracked down on rising banks of rogue home owners.
- We rewrote our entire set of

(Continued on page 2)

Commission preparing for March move

Move to consolidate all regulatory agencies within same building

The PUC's telephone numbers will not change as a result of the move.

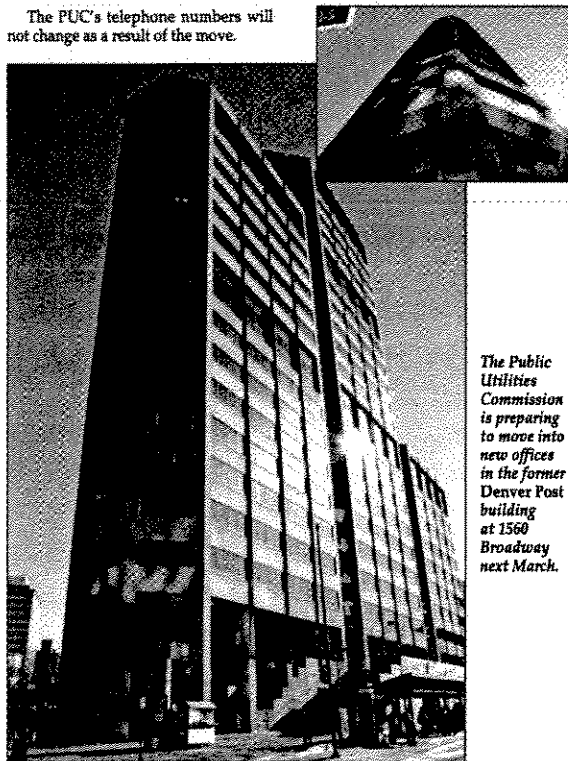
After 22 years, the Colorado Public Utilities Commission (PUC) will be moving soon to new offices.

The PUC is relocating its offices to the second floor of 1560 Broadway, occupying space recently vacated by The Denver Post newspaper. The move is expected to occur in mid-March.

The PUC has been in its current location at 1580 Logan St. since August of 1984, when it moved from its Sherman street location. The PUC's move to 1560 Broadway is the final stage of an effort to bring all of the agencies within the Department of Regulatory Agencies (DORA) under one roof. The Office of Consumer Counsel, also located in the Logan Tower building, is making the move at the same time.

In addition to consolidation within DORA, the move has the added benefit of consolidating Commission offices onto a single floor, PUC Director Doug Dean said. Currently, PUC offices occupy space on three floors of the Logan Tower building.

The new location also will provide added convenience for PUC employees who take the bus or light rail to work, Dean said. RTD's Civic Center terminal is located next to the Broadway building.



The Public Utilities Commission is preparing to move into new offices in the former Denver Post building at 1560 Broadway next March.

PUC approves Xcel electric settlement

Xcel Energy was expected to implement new electric rates in January to reflect changes contained in a settlement agreement approved by the Public Utilities Commission (PUC) last month.

The PUC in December approved a settlement agreement allowing the company to increase its electric base rates by \$107 million annually. The settlement agreement, which was negotiated by Xcel Energy, PUC staff, the Office of Consumer Counsel and other major parties in the case, trimmed \$65 million from Xcel Energy's original \$172 million request.

Xcel Energy is the largest electric utility in Colorado, serving about 1.1 million customers.

The new base rates, combined with

increases in purchased power and capacity costs—which are passed through to customers on a dollar-for-dollar basis—will increase residential and small business overall monthly electric bills by about 11 percent. For residential customers, that means an increase of \$5.78 per month, from \$52.27 to \$58.05, based on use of 625 kilowatt-hours per month. For small business customers, the increase would be \$9.17 per month, from \$83.62 to \$92.79, based on use of 1,025 kilowatt-hours per month.

The settlement established a rate of return on equity (ROE) for Xcel's electric department of 10.5 percent, down from the current 10.75 percent. The company originally sought an ROE of 11 percent. Although the PUC sets

and authorizes the ROE, it is not guaranteed.

Under the settlement, the company will begin charging residential customers a 1 percent late fee on electric and natural gas bills that are not paid by the billing date shown on the following bill, unless the electric or combined electric and gas bill is less than \$50. A customer can request forgiveness of the late fee once per 12-month period. Xcel Energy's commercial customers already were subject to late payment penalties.

Other major provisions of the settlement:

- Windsource will continue as a voluntary option for customers. Windsource rates will be based on the actual costs of the company.
- All purchased power capacity costs will be recovered as part of a line item on customer bills called the Purchased Capacity Cost Adjustment (PCCA) rider. The company buys about half of its power from third-party suppliers.
- The Electric Commodity Adjustment (ECA), a rider on the bill that recovers fuel costs and purchased energy, will be updated quarterly instead of once a year.
- Large commercial and industrial customers will have an option to take service under a time-of-use ECA rate, where rates are differentiated between peak and off-peak periods.

Chairman's term expires in January

The term of Public Utilities Commission (PUC) chairman Greg Sopkin expires on Jan. 8, 2007, with a replacement to be named by Gov.-elect Bill Ritter.

The PUC consists of three commissioners appointed by the governor and confirmed by the Colorado Senate. The commissioners serve four-year, staggered terms and no more than two appointees may be from the same political party.

Sopkin's term is the first of the three current PUC commissioners to expire

since Ritter's election in November. Commissioner Polly Page's term expires in January of 2008, and the term of Commissioner Carl Miller expires the following year.

As of Dec. 15, no replacement for Sopkin had been named.

The PUC regulates intrastate telecommunication services; investor-owned electric, gas and water utilities; and for-hire motor carrier utilities. For fiscal year 2005-06, the PUC oversaw about \$7.5 billion in annual jurisdictional utility revenues in Colorado.

PUC sets 2007 registration fees for telemarketers

The Colorado Public Utilities Commission (PUC) has established the registration fees for 2007 that telemarketers will pay to obtain the state's do-not-call list.

The fees are set on a sliding scale based on the number of employees of the soliciting company. The fees collected are used to pay for administration of the program by an outside vendor, and to support enforcement activities provided by the Colorado Attorney General's office.

For 2007, the fees will range from \$100 for telemarketers with five to 10 employees, up to \$500 for companies

with more than 1,000 employees. Telemarketers with less than five employees are not charged an annual registration fee.

PUC staff estimates that about 625 telemarketers will pay registration fees in 2007, generating an estimated \$152,820 in revenue.

Colorado's no-call program permits residential and wireless telephone subscribers to notify solicitors of their objection to receiving solicitations by telephone or fax by placing their telephone numbers on a no-call list at no charge. Telemarketers must update their solicitation lists four times a year

to help reduce the number of unwanted telephone calls.

A state enforcement action may be brought against commercial telemarketers for three or more violations in a month. Certain types of calls are excluded from no-call rules, including political calls, calls from charitable organizations, and calls from businesses that have an existing relationship with a customer.

As of Dec. 5, more than 2.7 million telephone numbers had been placed on Colorado's no-call list.

Customers may register a residential or wireless phone number, or file a

complaint about possible violations of the no-call law, by either calling toll-free at 1-800-309-7041 or by going on-line at www.coloradonocall.com.

2007 TELEMARKETER REGISTRATION FEES

Number of Employees	Fee Amount
1-4	\$0
5-10	\$150
11-50	\$275
51-100	\$400
101-250	\$475
251-400	\$490
401-1,000	\$495
1,001+	\$500

PUC's Benedetto reappointed to Commission for deaf



Joe Benedetto

Joe Benedetto, administrator of the telecommunications relay services program for the Public Utilities Commission (PUC), has been reappointed by Gov. Bill Owens to the Colorado Commission for the Deaf and Hard of Hearing (CCDHH).

Benedetto has been a member of the CCDHH since it was established in 2000 to address the needs and concerns of Colorado's deaf and hard-of-hearing population. Benedetto's new four-year term runs through 2010 and is subject to confirmation by the Colorado Senate.

"The establishment of the Commission for the Deaf and Hard of Hearing by Gov. Owens was a very vital and significant step towards addressing

the multitude of issues and concerns facing this segment of our population, which is greatly underserved," Benedetto said. "The task before us is to work together to make the Commission stronger, better and fully funded."

The CCDHH is governed by a seven-member commission appointed by the governor, with all programs and daily operations administered by an executive director. Daily operations include information and referral, telecommunications equipment distribution, assisting state agencies in improving or becoming communication accessible, and providing case management to deaf and hard-of-hearing consumers with individual problems and concerns.

"I have heard from many Coloradans that your efforts are making a difference in their lives," Owens wrote in his reappointment letter. "Your willingness to continue to serve the state of Colorado is appreciated."

Benedetto noted that he was looking forward to using his second term to help the CCDHH fulfill the objectives of its "Agenda for the Future," the commission's long-range strategic plan, which was developed with statewide input from the deaf and hard-of-hearing community.

"I am proud to have worked together with our commissioners to set these common goals designed to meet the needs of our citizens," Benedetto said.

INSIDE CONNECTIONS

Always be prepared.

It's a motto that John Opeka adhered to while making Eagle Scout many years ago. And it's a motto that still applies to his life today.

John is a criminal investigator in the PUC's Transportation Safety and Compliance unit. His responsibilities include conducting safety and compliance reviews of regulated transportation carriers; enforcing Colorado statutes, state and federal rules; mediating complaints between motor carriers; and tracking down those carriers that are operating without insurance.

He might be out at the Pepsi Center on a weekend night, checking luxury limousines for proper registration and insurance. The next day he could be in a mountain town, investigating whether a shuttle company is operating outside of its authority. Or he could be in the office of a Denver taxi company, checking to make sure that driving records are complete and up-to-date.

Because his duties are so varied,

John needs to be ready for most anything.

"I like the fact that no two days are the same," he said. "Things change often and quickly requiring you to be flexible."

John started at the PUC in November of 2002. Prior to that, he spent one year working for the Colorado Department of Revenue as a Port of Entry Officer. He also worked three years with the Colorado State Patrol as a Trooper in Summit County.

John holds a bachelor's degree in criminal justice from Metropolitan State College of Denver with a minor in sociology. He's a member of the Colorado State Investigator's Association, Commercial Vehicle Safety Alliance, Limousine Association of Colorado, Diver's Alert Network, and Colorado Association of Public Employees.

He strives to "do the best job I can in the positions I've been entrusted to," but tempers that with a philosophy of



John Opeka

"don't sweat the small stuff...it's all small stuff."

Away from work, John enjoys scuba diving and building model airplanes. He and his wife, Janel, will celebrate their second anniversary next summer.

(Inside Connections will feature a PUC employee each edition as selected by PUC section chiefs.)

POSITIVE CHARGES

Thanks to everyone who contributed to the 2006 Colorado Combined Campaign. PUC employees donated \$7,600 this year to support charitable organizations. As a department, DORA received contributions from 187 employees and raised \$38,534 for this year's campaign. Special thanks to Deb Fajen and Elizabeth Hayes for coordinating this year's campaign.

The PUC's annual Thanksgiving Food Drive, spearheaded by Joe Benedetto, made the holiday a little brighter for many underprivileged people this year. The PUC donated 287 pounds of food and

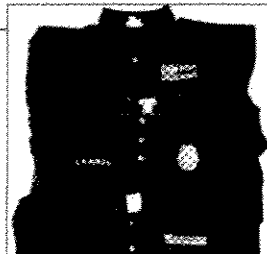
\$50 in cash to the non-profit Food Bank of the Rockies, Inc. An additional \$70 was collected for the Denver Rescue Mission for the purchase of Thanksgiving turkeys.

Welcome to new PUC employees Joseph Kelley and Michael Williams. Both are criminal investigators in the Transportation's Safety and Compliance unit.



Joseph Kelley

Michael Williams



Kudos to Joe Molloy in the Gas Pipeline Safety unit and to John Opeka, Tony Munoz, and Monica Pacheco in the Transportation Safety and Compliance unit for designing new logos for their respective field shirts. The shirts raise the visibility of the PUC and promote safety when these unit staff members are out in public.

Starting Point

(Continued from page 1)

regulatory rules for utilities. Here, the "we" is misplaced as the real work was done by our staff. Plowing through thousands of pages to make our rules more concise, thoughtful, and less burdensome is no small task. Dino Iannides, our rules administrator, still has nightmares about misplaced decimals.

- Speaking of our staff, over the past four years DORA has given numerous awards to PUC personnel: the Team Award to those who developed the Colorado Performance Assurance Plan for Qwest; two Citizenship Awards; two Peer Service Awards; the Outstanding Service Award; Employee of the Year Award; and Diversity Award.
- During all of this, Neil Langland reparked his car approximately 787 times.

I discovered through my (now famous) meetings with other state commissioners that the independence and integrity of the Colorado PUC are second to none. Staff tells the Commissioners what they think (including about the "Hustlers"). Commissioners are not afraid to dissent; we are a Type I agency, not subject to political dictate or whim, and our procedures are tighter than the FCC or FERC.

As I stated four years ago, I have great respect for the institutional knowledge and hard work of the persons who make this place work. Moving forward, I have every confidence that new commissioners who come on board will show the same respect, and maintain the independence and integrity of the PUC.

Task force recommends transmission cost rider

An interim task force established to study electric transmission issues in Colorado is recommending that an expedited cost recovery charge be developed that will provide electric utilities more certainty in recovering investments and expenses related to new transmission facilities in the state.

That was one of four recommendations contained in a report issued Nov. 1 by the Task Force on Reliable Electricity Infrastructure. The task force was created by the Colorado General Assembly to look at the state's future electric infrastructure needs and make recommendations to the governor and legislature.

The task force was comprised of 15 members appointed by the governor and legislative leaders representing various electric industry, governmental and consumer groups. The task force held four meetings at the Public Utilities Commission (PUC) during the summer and fall and received comments on a wide range of electric reliability and infrastructure issues.

In the executive summary of its report issued Nov. 1, the task force stated that "Colorado's ability to ensure continued affordable, reliable electricity

and to build a vibrant economy depends on sufficient transmission capability. Today the system is strained and, if current trends continue, there will not be adequate transmission to meet the needs."

The task force noted that utility investment in transmission has been hampered by concerns that costs will not be recovered in a timely manner. It recommended an automatic, annual cost recovery rider on customer bills for a utility's transmission projects.

Such recommended legislation "would provide timely, efficient and certain cost recovery for (utilities) to attract capital necessary to undertake new, large transmission investments for the benefit of Colorado's economy and its energy consumers," the task force said.

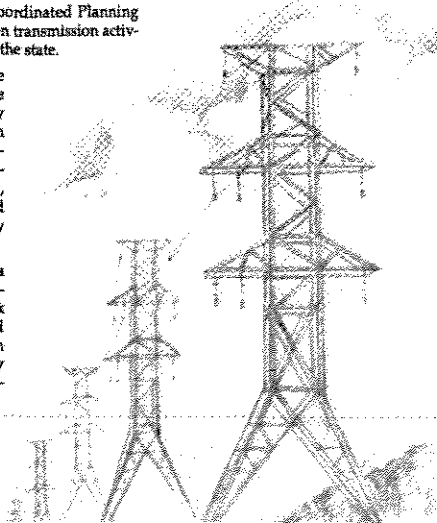
Other recommendations adopted by the task force:

- Identify renewable generation resource development areas that have potential to support competition among renewable energy developers.
- Municipal and county government involvement with organizations like

the Colorado Coordinated Planning Group to focus on transmission activities throughout the state.

- Appropriate funding for the PUC to actively participate in regional electricity transmission planning, reliability and regulatory forums.

Although not a formal recommendation, the task force also identified a critical shortage in the electric utility industry of specialized and highly trained workers. It encouraged the governor and general assembly to facilitate Colorado utilities' ability to



increase their workforce through apprenticeships and the utilization of available training funds to develop Colorado's workforce.

A copy of the task force's full report is available can be viewed at: <http://www.dora.state.co.us/puc/projects/ReliableInfrastructure/ReliableInfrastructure.htm>

PUC conducts review of efficiency standards

The Colorado Public Utilities Commission (PUC) has wrapped up an investigation required by the Energy Policy Act (EPAct) of 2005 to look into possible implementation of new efficiency standards for electric utilities.

The PUC issued a decision on Dec. 6 summarizing its consideration of standards in the areas of net metering, fuel diversity, fossil fuel generation efficiency, smart metering and interconnection. The PUC concluded that no modifications to its rules were required at this time.

The Public Utility Regulatory Policies Act (PURPA) of 1978 established certain standards to encourage conservation of energy supplied by electric utilities; to optimize the efficiency of use of facilities and resources by electric utilities; and provide for equitable rates to electric customers. Each state regulatory authority is directed to make determinations concerning whether it is appropriate to implement the standards to carry out the purposes of PURPA.

The 2005 EPAct amended certain sections of PURPA by adding five new standards and setting deadlines for state consideration for implementation:

- Net metering—Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves.
- Fuel diversity—Each electric utility shall develop a plan to minimize dependence on any single fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.
- Fossil fuel generation efficiency—Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.
- Smart metering—Each electric utility shall offer each of its customer classes, and provide individual customers upon request, time-based metering and rate schedules.
- Interconnection—Each electric utility shall make available, upon request, interconnection service to any electric consumer with on-site generation that the electric utility serves.

The PUC opened an investigation last March to begin consideration of each of the new standards. The Commission solicited comments from interested parties on changes or modifications that should be made to PUC rules regulating electric utilities consistent with the EPAct.

After reviewing the comments, along with a comprehensive staff report, the Commission determined that PUC rules are in accord with the net metering, fuel diversity and interconnection standards without modification; that the fossil fuel generation efficiency standard is not appropriate for implementation because the current least-cost planning rules result in a better balance between fuel-efficiency and least-cost resources for the selection of future production units; and that consideration of the smart metering standard should be deferred until March 31, 2008, to allow for a review of the results of Xcel Energy's Residential Price Response pilot program.

The final report to the PUC on this docket is available on-line at: http://www.dora.state.co.us/puc/docket_activity/HighprofileDockets/061-169E.htm.

Xcel Energy seeks gas base rate hike

The Colorado Public Utilities Commission (PUC) has suspended a proposal by Xcel Energy to increase natural gas distribution rates by \$41.5 million annually, and likely will hold hearings on the request next spring.

The proposal would increase residential customers' monthly bills by about 3.3 percent. The PUC last approved a base rate increase for Xcel Energy's gas customers in 2005, adding about 73 cents a month, or 0.92 percent, to a typical residential customer bill.

The base rates for the natural gas distribution system are separate from the rates for the gas commodity itself, which are passed on to customers on a dollar-for-dollar basis through a separate monthly charge. Xcel Energy receives no profit from the monthly gas cost adjustment.

If approved by the PUC, the new proposal would increase a typical residential customer's bill by about \$2.10, to \$65.06 per month, based on an average use of 65 therms. The average bill for a commercial customer would increase by \$7.14, or 2.4 percent, to \$300.96 per month, based on an average usage of 329.9 therms.

In its filing, Xcel Energy said it has invested nearly \$110 million in its natural gas facilities in Colorado since its last rate case. Costs associated with rehabilitating a retired manufactured gas facility near Fort Collins, and decommissioning the Leyden natural gas storage facility in Arvada are also part of this rate case.

As part of the case, the company is asking the PUC to set a new authorized rate of return on equity of 11 percent, up from its currently authorized 10.5 percent. The return on equity is the profit that a utility is authorized to earn, but it is not guaranteed.

The PUC must issue a decision on the rate filing by July 29, 2007.

PUC adopts new Xcel quality of service plan

A new, four-year service quality plan for Xcel Energy that targets bill credits to individual customers who experience frequent or extended outages is expected to take effect at the beginning of the year.

The Colorado Public Utilities Commission (PUC) last fall adopted with only minor clarifications a settlement agreement proposed by Xcel Energy, PUC staff, the Office of Consumer Counsel and the City and County of Denver. The new plan, which runs from 2007 through 2010, replaces the current service quality plan, which expired at the end of 2006.

The new plan provides automatic bill credits of more than \$11 million annually if Xcel Energy fails to meet service quality standards for reliability, repair, telephone response and customer complaints. Unlike the previous plan, however, which spread bill credits among all Xcel Energy customers on a statewide basis, the new plan directs

the credits to specific regions where problems occur, and in some cases to individual customers.

Under the plan, a reliability standard will be determined for each of Xcel's nine operating regions, and bill credits will be payable to customers within an operating region if the company's performance fails to meet the standard for two consecutive years. A total of \$7.064 million will be allocated among the nine regions for purposes of the bill credits.

Two new thresholds have been established to measure the level of service delivered to individual customers in certain regions that have the technical capability to capture the data. Those regions include Denver Metro, Boulder, Western and Northern.

In those regions, the company has agreed to pay a \$50 bill credit to each customer who experiences more than five outages a year lasting more than five minutes, or for each instance in

which electric service is not restored within 24 hours following an interruption. Certain major events, such as major storms, and other interruptions beyond the company's control are excluded. Bill credits will be limited to \$1 million for each of these standards.

The company also will pay bill credits of up to \$1 million if the number of customer complaints to the PUC exceeds more than 0.8 per 1,000 customers annually, and up to \$1 million if 70 percent of telephone calls are not answered within 45 seconds.

The PUC also approved a separate settlement agreement filed by more than 15 municipalities setting reliability and performance standards for street-light installation and repair, traffic signal repairs, and relocation of Xcel facilities for public projects.

Xcel Energy has issued more than \$40 million in bill credits to customers since the PUC implemented a service quality plan for the company in 1998.

PUC grants Metro Taxi \$1 per trip fare increase

The Colorado Public Utilities Commission (PUC) allowed Metro Taxi to increase its initial passenger charge by \$1 per trip effective Nov. 30.

The increase raised Metro Taxi's "flag drop," or the charge for the first one-eighth of a mile that a passenger travels in the taxi, from \$1.60 to \$2.60. The subsequent mileage rate of \$2.00 per mile did not change.

Metro Taxi cited higher operating costs, a need to provide more competitive earnings for its drivers, and fairer and more consistent pricing to its customers as justification for the additional \$1 charge. Metro Taxi last received a rate increase in August of 2004.

Metro stated that 82 percent of the

increased flag drop revenue would go to its drivers, who are responsible for fuel costs. The remaining revenue would be used by the company to cover its increased operating expenses.

As part of the rate filing, Metro Taxi eliminated charges for extra passengers, baggage or pets.

Metro Taxi, which also operates Taxi Latino, is one of three companies authorized by the PUC to provide taxi service in the Denver metro area. Metro Taxi has authority for 492 cabs, Yellow Cab has authority for 300 vehicles, and Freedom Cab is authorized to put 150 cars on the street.

Yellow Cab, which was granted a rate increase in January of 2006, charges

\$2.50 for the initial flag drop and \$2 per mile after that. Freedom charges \$1.80 for the first one-ninth mile and then \$1.80 per mile after that.

The changes in metered rates for Metro Taxi do not affect the flat-rated fare system that is in place between Denver International Airport and downtown Denver, the Denver Tech Center, and Boulder. Under PUC rules, all taxi companies must offer a uniform, flat fare for trips between the airport and those three zones, which make up about 70 percent of the airport taxi business.

Under the system, the following fares are in place, regardless of the company used: between DIA and downtown, \$43; between DIA and the Denver Tech Center, \$45; between DIA and Boulder, \$70. Any applicable airport gate fees may be added to the flat fare.

DENVER AREA TAXI RATES

	Metro	Yellow	Freedom
Flag Drop	\$2.60	\$2.50	\$1.80
Per Mile	\$2.00	\$2.00	\$1.80

State high cost surcharge expected to rise in April

Staff of the Public Utilities Commission (PUC) is projecting that Colorado telephone customers will need to pay about 33 cents a month more beginning the second quarter of 2007 to fund the state's universal service program, which is designed to help keep basic local telephone service affordable across the state.

In its annual report issued Dec. 1, PUC staff estimates that the Colorado Universal Service Charge will need to increase to 2.7 percent next spring to meet budget projections for 2007. The charge was set at 2.9 percent for the first nine months of 2006 and was decreased to 1.6 percent for the fourth quarter to

order to obtain the target reserve balance.

The monthly charge provides money for a fund to reimburse telecommunications providers that serve areas with higher than average costs. This allows local phone rates to remain reasonably comparable across the state.

Most Colorado telecommunications customers pay the surcharge, which is assessed as a percentage of a customer's in-state monthly telecommunications charges for local, wireless, paging, in-state long distance and optional services.

The PUC reviews the fund on a quarterly basis and reports to the legislature each Dec. 1 on the previous year's

contributions and disbursements, along with projections for the coming year. PUC staff is projecting that nearly \$64 million will be disbursed to telephone providers in 2007.

The short-term reduction of the surcharge to 1.6 percent for the fourth quarter of 2006 was due to an anomalous increase in surcharge revenues reported in the first quarter because several wireless providers corrected for previous under-reporting of revenues. It is projected that the surcharge will need to be increased starting in the second quarter of 2007 to 2.7 percent in order to maintain the funding and to meet the desired level of reserve balance. Based

on a local telephone bill of \$30 a month, the change will add another 33 cents to a customer's monthly bill.

The Colorado Universal Service Charge was established in 1999 at 3.2 percent of intrastate retail revenues and had steadily decreased to 2 percent until 2006, when an increase was necessary to offset a projected decline in contributions due to the growth in Internet phone service. Internet phone services currently are not subject to the Colorado universal service surcharge.

Area code exhaust dates pushed further out

Colorado's forecast for an adequate supply of telephone numbers continue to improve, with the latest projections pushing out all three of the state's area code exhaust dates by another one to two years.

According to the latest figures from the North American Numbering Plan Administrator (NANPA), Colorado's 970 area code in western and northern

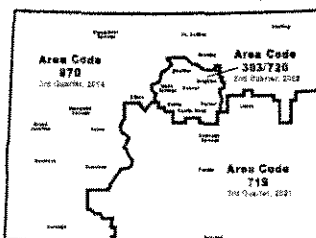
Colorado will be the first to run out of useable telephone numbers—but not until the third quarter of 2014. That's an improvement from the 2012 fourth quarter projection issued a year ago.

Colorado's 303/720 area code now is expected to reach exhaust in the second quarter of 2022, back from a 2020 date last year. And the forecast for the 719 area code now extends to third quarter of 2021, according to the NANPA report, which was issued in October.

Colorado had just one area code (303) until 1988, when 719 was introduced in southeastern Colorado. In 1995, the 970 area code was added to serve customers in the northern and western part of the state. Then, in 1998, the 720 area code was overlaid on top of the 303 code to provide number relief in the Denver metro area.

In 2001, the Colorado Public Utilities Commission (PUC) implemented mea-

Latest Colorado Area Code Exhaust Projections



sures to slow the need for additional area code relief in the state, as more and more telephone numbers were being assigned to wireless, computers and competitive telecommunications providers. Those number conservation measures were successful, pushing back exhaust dates in all three Colorado area codes. Without those measures, the 303/720 area code likely would have reached exhaust in 2008.

Relay surcharge drops

The monthly surcharge that provides funding for the state's telecommunications relay services (TRS) for disabled telephone users program decreases to 7 cents a month beginning on Jan. 1, 2007.

The Colorado Public Utilities Commission (PUC) approved the three-cent reduction in the monthly surcharge, which is assessed to all residential and business telephone lines in Colorado.

The Colorado legislature established the TRS program in 1989. The relay program allows people who are deaf, hard-of-hearing or speech disabled to communicate on the telephone with a hearing party through the use of various technologies, including Captioned Telephone service.

The PUC reviews the fund balance, revenue and expenditure projections each year and adjusts the surcharge as necessary. The monthly surcharge had previously been set at 10 cents per month since July 1, 2006. PUC staff has estimated that a 7-cent surcharge will be adequate to meet the relay program's projected expenditures over the next 18 months.

CONNECTIONS is the newsletter of the Colorado Public Utilities Commission. It covers Commission cases and actions of importance to consumers, utilities, consumer groups and decision makers.

Comments, suggestions and requests for more information should be directed to:

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Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2005

STARTING POINT



By Doug Dean
Director

You probably noticed there is a new face at the top of this column. After occupying this space for nearly 13 years, Bruce Smith has retired from a distinguished career in public service and has moved on to greener pastures. We wish him all the best.

I am the new Director of the Public Utilities Commission. Although I've held the title for a couple of months now, I've been shuttling back and forth between here and the Division of Insurance. But now that the governor has appointed a new Insurance Commissioner, I am starting to settle in to my new position on a full-time basis. And I am looking forward to personally meeting those of you I haven't had a chance to meet yet.

As many of you probably know, I spent eight years in the Colorado General Assembly, including two years as Vice Chairman of the Education Committee, two years as Majority Leader, and two years as Speaker of the House. Prior to that, my background was in business. In January of 2003, after being term-limited out of the legislature, I was appointed Insurance Commissioner, where I served until my appointment to the PUC.

I have a lot to learn about the wide array of issues that come before the PUC, and I look forward to working with the Commissioners and the staff to be brought up to speed as quickly as possible. One of the things I heard from a number of people before I took this job was that the PUC had an extremely knowledgeable and hard-working staff. And in the short time I've been here I've been impressed by what I've seen. My goal is to work together to earn the confidence of, and maintain credibility with, those we regulate and the public we serve.

At home, I am very much a "do-it-yourself" kind of guy. I enjoy tackling my own home improvement projects, whether it's plumbing, electrical or general construction. I take a similar "hands-on" approach to my management style. My door is always open to discuss any concerns that anyone may have. I want to play a key role in identifying and making changes for the better where appropriate for the agency regulated utilities and the consumers of the state of Colorado.

Proposal lifts some phone regulations

First residential, small biz lines would remain under PUC oversight

Regulation of most telephone services except primary residential lines and small business lines would be eased under a proposed settlement filed with the Colorado Public Utilities Commission (PUC).

The settlement was filed April 22 by Qwest, PUC staff and the Colorado Office of Consumer Counsel after weeks of negotiations on an application by Qwest to deregulate most retail telephone services in Colorado. The PUC scheduled hearings on the proposed settlement beginning May 3, and must issue a decision on whether to accept, reject or modify the proposal by June 28.

Under the proposed settlement, the PUC would retain full regulatory control over the first line at a residence and basic service to businesses with three lines or less across the state. Additional residential lines in areas outside of "zones of competition" also would remain regulated essentially as they are now, as would "public interest features," which include per-call blocking, per-line blocking, call trace, busy line verification, busy line interrupt, non-listed and non-published services.

The agreement defines "zones of competition" as the following Qwest exchanges: Denver Metro, Longmont, Lafayette, Louisville, Broomfield, Erie Parker and Colorado Springs except for Black Forest, Manitou, Green Mountain Falls and Woodland Park wire centers in the Colorado Springs exchange.

Additional residential lines inside the "zones of competition," and service to businesses with four or more lines regardless of geographic area would fall under "market regulation," as

Proposed Regulatory Plan for Qwest

SERVICES UNDER "MODIFIED EXISTING REGULATION"	SERVICES UNDER "MARKET REGULATION"	SERVICES DEREGULATED
Primary residential lines (rate cap applies)		In-state long distance
Additional residential lines in areas other than "Zones of Competition"	Additional residential lines located within "Zones of Competition"	
"Public Interest Features and Services"	Residential features and services except "Public Interest Features and Services"	
Basic business service for businesses with 1-3 lines	Basic business service for businesses with 4 or more lines	
Payphone service offerings	Advanced features or services on business lines	
N-1-1 services, including E-9-1-1	All packages and bundles (subject to a price cap)	
	Non-optional operator services	

* Zones of Competition defined as the following Qwest exchanges: Denver Metro, Longmont, Lafayette, Louisville, Broomfield, Erie, Parker, and Colorado Springs, except for Black Forest, Manitou, Green Mountain Falls and Woodland Park wire centers.

** Public Interest Features and Services include: Per Call Blocking, Per Line Blocking, Call Trace, Busy Line Verification, Busy Line Interrupt, Non-listed service, Non-published service.

would advanced features or services provided on business lines, price-capped packages and bundled service offerings, non-optional operator services, and private line services with a capacity of less than 24 voice-grade circuits.

Market regulation, as defined by the proposed settlement, would consist of minimal PUC oversight of services in this category. However, the PUC could re-impose traditional regulation on these services for good cause if problems arise.

The settlement deregulates all in-state long distance for Qwest and establishes an expedited process for other toll providers to deregulate their long-distance services within Colorado as well.

The existing credits for the Colorado High Cost Fund Surcharge—\$46 per month on residential access lines and \$1.08 on business access lines—will be eliminated. These credits currently total about \$13 million per year. Under the settlement, about \$1.8 million of the revenue generated from the elimination of the credits will be used to offset the impact of the Northern Colorado local calling area expansion. The remainder of the revenues will be used to reduce intrastate switched access rates.

The proposed settlement retains automatic remedies for service quality failures, including the customer specific credit equal to the monthly rate if the company fails to repair service within 24 hours of an outage.

Amendment 37 rules proposed

The Colorado Public Utilities Commission (PUC) has issued proposed rules to implement renewable energy standards approved by voters last fall.

The proposed rules, issued on March 29, establish the process by which qualifying retail utilities in Colorado must gradually increase their reliance on renewable energy resources over the next 10 years. The PUC has until March 31, 2006, to finalize the rules.

Colorado voters last November approved Amendment 37, which requires that a percentage of retail electricity sales be derived from renewable resources, beginning with 3 percent in 2007 and increasing to 10 percent by 2015. Renewable energy resources are defined to include solar, wind, geothermal, biomass, small hydroelectricity and hydrogen fuel cells.

The new law applies to retail electric utilities that serve more than 40,000 customers. However, municipal utilities and/or rural electric cooperatives may opt out of the requirements by a

vote of their customers if they certify to the PUC that they already have a comparable renewable energy program in place.

Another provision of the law limits the retail rate impact of the renewable energy standards to 50-cents per month for residential customers.

Under the new law, the PUC was required to begin a proceeding by April 1 to develop rules and regulations for implementation of the standards. The PUC conducted two workshops in March to gather comments about proposed rules from interested parties before issuing its proposed set of rules.

The proposed rules address: (a) definitions of eligible renewable resources that can be used to meet the standards; (b) standards for the design, placement and management of electric generation technologies that use eligible renewable energy resources to ensure that the environmental impacts of such facilities are minimized; (c) electric resource standards for renewable energy

(Continued on page 2)

Senate confirms Miller appointment

The Colorado Senate on May 9 unanimously confirmed Commissioner Carl Miller's appointment to the Public Utilities Commission (PUC).

Miller served the final six months of former Commissioner Jim Dyer's term in 2004, and was appointed to a new four-year term in January by Gov. Bill Owens. Miller's new term runs through Jan. 12, 2009.

Miller, a Democrat from Leadville, served in the Colorado House of Representatives for eight years before he was tabbed by Owens to fill Dyer's post. Prior to his legislative stint, Miller was a Lake County Commissioner from 1977 to 1989.

Miller serves with Chairman Greg Sopkin and Commissioner Polly Page, both Republicans, in regulating the state's telecommunications, gas, electric and transportation utilities. Sopkin's term expires in January of 2007, with Page's term expiring in January of 2008.

Three PUC employees earn department recognition

The Public Utilities Commission (PUC) was well represented in this year's Department of Regulatory Agencies' DORAwards program, claiming honors in three of the six categories.

Joe Benedetto won the Citizenship Award; Deborah Fajen won the Peer Service Award; and Warren Wendling won the Outstanding Service Award.

The DORAwards program was created in 2001 to recognize outstanding achievement in customer service at the department level. This year's winners were to be honored at the DORA ice cream social in May and became eligible for statewide recognition in the governor's annual State Top Achievement Recognition (STAR) awards program.

The Citizenship Award (\$100) is given to an individual or group of DORA employees who have exhibited exemplary volunteer service to the community. Benedetto, the Telecommunications Relay Services administrator for the PUC, was cited for his many hours of service to the deaf and hard-of-hearing communities, as well as his efforts to help others in need.

He serves on the board of directors for the Colorado Commission for the Deaf and Hard-of-Hearing. He also is a member of the Colorado Association of the Deaf, and a volunteer for the Self

Help for the Hard of Hearing Organization, which is the nation's largest organization for people with hearing loss.

Benedetto, an ordained Catholic deacon, also has initiated many charitable drives at the PUC. He has helped collect food, toys and cash for such charities as Working Together to benefit state employees, Toys for Tots, the Holy Cross Church food distribution program, and The Gathering Place, which helps homeless women and children.

The Peer Service Award (\$200) is for an employee or group of individuals providing assistance or encouragement to fellow state employees above and beyond what is expected as part of the job. Fajen, an administrative assistant in the Transportation section, was recognized for her efforts as lead coordinator for the department's Colorado Combine Campaign (CCC), the state's annual charitable drive.

Fajen took on this role as lead DORA coordinator in addition to serving as one of the CCC coordinators for the PUC while maintaining her normal workload. With her leadership and encouragement, DORA employees donated more than \$39,000 for Colorado charities, exceeding the department's goal of \$38,000.

The Outstanding Service Award (\$100) recognizes exemplary perfor-



PUC DORAward winners (l-r): Joe Benedetto, Deb Fajen and Warren Wendling.

mance throughout an individual's career with DORA and the state. Wendling, the PUC's supervising engineer, will retire in October after 24 years with the agency.

Although he started at the PUC in 1981 as an electrical engineer analyzing electric utility filings, Wendling quickly became Colorado's telecommunications expert when federal law broke up AT&T and the state's telecommunications industry was born with the creation of U S West, now known as Qwest. As the architect of the regula-

tory policy and rules for the telecom industry, Wendling assisted legislators in the drafting of telecom legislation, provided briefings to various governors on telecom issues, and testified on many national issues before the Federal Communications Commission.

Colorado is considered the telecommunications leader in the 14 states in which Qwest serves, and many of the policies adopted by Colorado have been used as models nationally, in large part the result of Wendling's knowledge, experience and hard work.

INSIDE CONNECTIONS

When Roxi Nielsen presents an item at a Public Utilities Commission weekly meeting, her advice might be sesquipedalian, but the result will rarely be a catachresis.

Roxi, a rate and financial analyst in the Utilities section, keeps the Commissioners and staff on their lexical toes by often incorporating a new vocabulary word into her presentations on utility tariffs and other applications.

(Editor's note: Sesquipedalian is an adjective meaning "given to using long words;" catachresis is the "use of a wrong word in a context.")

Roxi started with the PUC in the External Affairs section in 1997 handling consumer complaints. She moved to the rate and financial unit in 2000, where she provides expert analysis and advice on utility filings; conducts audits of utility books, records and financial reports; reviews and processes applications and tariffs filed by telecommunications providers; keeps utilities informed regarding PUC rules and regulations; and testifies in cases before the PUC.

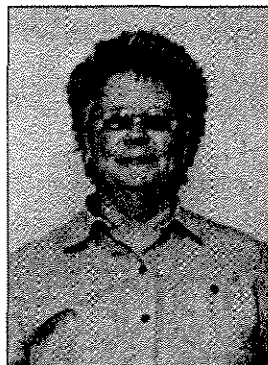
"I enjoy the fact that each day brings something different," she said. "I also enjoy the interaction with employees in the various sections of the PUC."

That usually includes sharing her sense of humor with fellow employees on a daily basis, as well as sharing her love for Nebraska Cornhusker football. Her office cubicle is a shrine to the Big Red.

Her loyalty to Nebraska is a natural, given that she grew up in Scottsbluff and earned her bachelor's degree from nearby Chadron State College.

Although her professional career has been varied, it carries a strong thread of helping others. She taught at a girls' reform school in Kansas, was a probation officer in Nebraska, and served as a counselor/caseworker at two youth correctional facilities in Colorado. Prior to joining the PUC, Roxi worked for 16 years at Qwest (then Mountain Bell/U S West). For the last several years of her employment there, she worked in the Public Policy group.

"It has always been my goal to be the best person I can be to myself and others and try to have a positive impact on the people I encounter," she said.



Roxi Nielsen

Away from work, Roxi enjoys spending time with her family, watching college football (especially Nebraska), reading, and helping out her elderly neighbors. She plans to continue serving others well beyond her days at the PUC.

"Upon retirement, I would like to be a volunteer reading teacher for elementary students and a volunteer 'rocker' in the nursery for children that are hospitalized," she said. "I also hope to become a coach for the Special Olympics."

(Inside Connections will feature a PUC employee each edition as selected by PUC section chiefs.)

POSITIVE CHARGES

Congratulations to Joe Benedetto, Deb Fajen and Warren Wendling, PUC winners in this year's DORAwards program, which recognizes outstanding achievement in customer service throughout the department. (See story this page.) Honorable mention went to Gary Schmitz, Sharon Fodein, Inez Dominguez, Karl Kurzie, Larry Shiao and Sandy Jones for their work on the PUC Least Cost Plan Trial Staff Team.

Welcome to new PUC employees: Dianne Green, an economist in the Utilities

section; Monica Pacheco, a compliance investigator in the Safety and Enforcement section; Julia Haugen, a rate/financial analyst in the Utilities section; and Susan Travis, a rate/financial analyst in the Utilities section. Also, welcome back to Joe Moilloy, who has rejoined the PUC as an engineer in the Pipeline Safety section.

Attorney Gary Witt has joined the staff at the Department of Law and is the newest member of the Commission Counsel team. He previously worked for AT&T.

Engineer Pam Fischhaber has switched tracks (and floors) at the PUC. Fischhaber, who worked for five years in the Utilities engineering section, moved to the third floor on May 2 to head up the PUC's Rail/Transit Safety section.

Greenwood named new OCC Director

James Greenwood, a former energy company executive and utility analyst, has been picked as Colorado's top utility consumer advocate.

Greenwood was appointed director of the Colorado Office of Consumer Counsel (OCC) in February, after serving as acting director since December. He replaced Ken Reif, who resigned to join Tri-State Generation and Transmission Company as vice president and general counsel.

Greenwood worked four years in the OCC as a rate/financial analyst. Prior to that, he worked for 27 years with Colorado Interstate Gas Company, an interstate natural gas pipeline company regulated by the Federal Energy Regulatory Commission.

"We were fortunate to have several very qualified candidates for the position, but I believe Jim is the best fit and will do a fine job for Colorado consumers," said Tambor Williams, executive director of the Colorado Department of Regulatory Agencies.

Greenwood becomes the third director of the OCC, which was established in 1984 to represent residential, small business and agricultural consumers in electric, gas and telephone cases before the Public Utilities Commission (PUC) and federal regulators. Ron Binz served as OCC director from 1984-1996, before Reif took over from 1996-2004.

Renewable energy

(Continued from page 1)

resources; (d) a system of tradable renewable energy credits that may be used by a qualifying retail utility to comply with this standard; (e) a standard rebate offer program; (f) policies for the recovery of costs incurred with respect to these standards for qualifying retail utilities subject to PUC rate regulation; and (g) a maximum retail rate impact of 50 cents per month for the average residential customer.

Hearings on the proposed rules will

be held July 11-14 at the PUC in Denver. Interested persons may submit written comments on the rules by May 18, and reply comments should be submitted by June 15. The proposed rules are available for review on the PUC website by clicking on the Amendment 37 button.

Qwest seeks \$7 million to recoup relocation costs

Qwest Corp. is seeking to recover about \$7 million from customers over the next three years to pay for relocating telecommunications facilities to accommodate an interstate highway expansion project in and near Denver and the expansion of the Colorado Convention Center.

A law enacted in 2003 permits a provider of basic local exchange service to seek authorization from the Public Utilities Commission (PUC) to recover actual costs for the relocation of infrastructure of facilities requested by the state or a political subdivision.

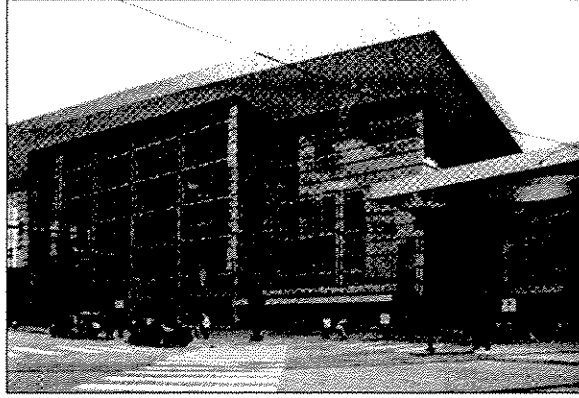
The PUC must verify the actual costs that may be recovered, determine the allocation of costs to various customers and services, and prescribe the method of such recovery.

Qwest has filed to recover almost \$6.4 million for relocation of facilities to accommodate the widening of I-25 through Denver. The state of Colorado requested the relocation for the Transportation Expansion Project, also known as "T-REX."

The company also is seeking more than \$640,000 to recover costs for moving its facilities to accommodate the expansion of the Colorado Convention Center at the request of the City of Denver. In both cases, Qwest said the costs were incurred "beyond the normal course of business" because Qwest would not have relocated its infrastructure and facilities but for the governmental requests.

Qwest has proposed that a charge be assessed on all retail access lines located in the 303/720 area code. Using this method, the charge would be \$0.16 per month for three years. A true-up would be conducted at the beginning of the second and third years to ensure that only actual costs are recovered from customers.

The PUC is expected to hold hearings on the proposal this summer. Among the issues is whether costs associated with deregulated and/or interstate services should be included for recovery. Also, the law requires the



Qwest has filed to recover the costs of moving its facilities to make way for the new Colorado Convention Center, as well as the widening of I-25.

PUC to "consider the jurisdiction requiring the relocation and the geographic area that most directly benefits

from the required relocation to determine the customers or services that will bear the costs."

Local calling area to expand in northern Colorado

Residents of northern Colorado should have a much wider local calling area by the end of 2005.

The Colorado Public Utilities Commission (PUC) has approved an agreement that calls for a single local calling area extending along the northern Front Range in the 970 area code. The calling area will include the Qwest exchanges of Berthoud, Eaton-Ault, Estes Park, Fort Collins, Gilcrest, Greeley, Johnstown-Milliken, La Salle, Loveland, Mead, Platteville and Windsor. Customers will be able to call back and forth in any of those exchanges without paying long-distance charges.

The PUC found that a sufficient "community of interest" exists among

the Fort Collins, Loveland and Greeley population centers to justify the expanded local calling. The agreement cited a significant interdependence for business, transportation, medical, education, leisure and human service needs in the region.

A survey was conducted of Qwest residential customers in the affected area. Of the surveys that were returned, 79 percent favored the proposed expanded calling area.

Although the agreement would allow Qwest to increase certain rates (excluding residential) to cover the costs of implementing the local calling expansion, that would not be necessary if the PUC approves a separate agreement filed in the Qwest deregulation

docket. Under that proposal, the monthly bill credits for the Colorado High Cost Fund Surcharge that Qwest residential and business customers have received for the past five years would be eliminated and part of that money would be used to offset the impact of the local calling expansion.

Qwest has not yet filed an implementation schedule for the local calling expansion with the PUC, but it could take until the end of the year to make the necessary network changes.

The local calling expansion will not include customers of Nunn Telephone Company, which originally filed to be part of the expanded local calling area, but then decided not to participate in

the proposal. Instead, Nunn Telephone will offer its customers an optional plan to the expanded calling area and measured local service to those who do not choose the optional plan.

Nunn Telephone customers will have the option of choosing an unlimited, flat rate calling plan for local calling into the expanded calling area for \$11.25 a month in addition to the current basic residential service rate of \$20.56 per month or the current basic business service rate of \$30.86 per month. Nunn customers who do not take the optional calling plan will keep their current residential or business monthly rate and pay a measured rate of 11 cents per minute for calls into the expanded local calling area.

Qwest customers to receive small credit with June bills

Qwest will pay \$883,651 for missing telephone service quality standards in Colorado in 2004, according to the company's annual performance report filed with the Public Utilities Commission on April 1.

About half the total—\$447,166—will be refunded to all Qwest retail customers as bill credits beginning June 1. The credit will amount to \$0.21 for each of Qwest's 2.1 million access lines. The rest of the 2004 payments have already been credited on an individual basis to customers who experienced service outages lasting longer than 24 hours in 2004.

Under the service quality plan, Qwest is required to meet certain service standards or provide automatic customer bill credits annually. The standards measure the company's performance in the areas of timely provisioning of service, speed

of repair, call completion and telephone access to Qwest's business offices. Since the plan was implemented in 1999, Qwest has issued bill credits to customers totaling more than \$27 million.

The PUC modified the service quality plan in 2004, changing the way customers were reimbursed for outages not repaired within 24 hours. Under the previous plan, the penalty for this category, up to a maximum of \$2 million, was lumped into the general bill credit for all customers. The new plan provides instead for individual bill credits in outage situations that last beyond a day.

Customers receive an immediate bill credit for \$14.88 for residential service or \$34.51 for business service—the equivalent of the basic monthly rate—if an outage is not repaired within 24 hours. Certain situations are excluded, such as no access provided by the customer; if the customer requests a repair date longer than 24 hours; fire; trouble on the customer's side of the network interface device; extraordinary acts of nature such as floods, and catastrophic events such as major cable cuts.

For 2004, Qwest provided \$436,485 to reimburse customers for outages.

Qwest's 2004 performance was the best the company has achieved since the plan has been in place. The company credited \$7.4 million for 1999, \$11.2 million for 2000, \$4.1 million for 2001, \$2.1 million for 2002, and \$2.3 million for 2003.

PUC receives two requests for 9-1-1 surcharge increases

The Public Utilities Commission (PUC) has approved a request to increase the monthly surcharge for 9-1-1 services in Washington and Yuma counties, and is considering a similar application from an authority board in western Rio Blanco County.

The PUC in late April approved the Washington/Yuma County Emergency Telephone Service Authority Board's application to raise its 9-1-1 surcharge from \$.70 to \$1.25 per month, effective Jan. 1, 2006.

The Washington/Yuma County board dispatches emergency calls for the Yuma Police Department, Yuma County Sheriff's Department, Wray Police Department, Washington County's Sheriff's Department, five ambulance services and 14 rural volunteer fire departments. These public safety agencies are responsible for a combined area of 4,887 square miles with a population of 14,500 people.

The authority board will use the additional revenue to replace aging equipment and provide enhancements to its 9-1-1 system to provide continued public safety support.

The Western Rio Blanco 9-1-1 Emergency Telephone Service Board also has filed an application with the PUC to raise its 9-1-1 surcharge from

the current \$.70 per month to \$1 per month to cover the cost of improvements to the communications center equipment.

The Western Rio Blanco board administers the 9-1-1 system for western Rio Blanco County in northwestern Colorado and dispatches for the Rangely Police Department, fire and ambulance district, and the Rio Blanco County Sheriff's Office. The board serves about 1,500 square miles with a population of 3,000 people.

Western Rio Blanco has asked the PUC to approve the increase effective June 1. However, state law only allows 9-1-1 surcharge increases to be implemented on customer bills once a year in January.

All wireline and wireless customers in Colorado pay a monthly surcharge to fund the equipment and operational expenses of the 9-1-1 system. Individual authority boards establish the amount needed to cover the costs of equipment, personnel and access to telephone lines. The surcharge is collected by the telephone provider and passed on to the authority boards.

Under Colorado law, a 9-1-1 authority board may assess a surcharge of up to 70 cents per customer per month for 9-1-1 service without the permission of the PUC. Anything over that amount requires PUC approval.

CONNECTIONS is the new voice of the Colorado Public Utilities Commission. It covers Commission news and actions of importance to consumers, utilities, consumer groups and decision makers. Comments, suggestions and requests for more information should be directed to: Connections@puc.state.co.us or call 1-800-440-2222. **Photographer: Tracy Mouton**

Printed on recycled paper

Xcel to refund at least \$5.6 million for '04 outages

Xcel Energy will credit back to customers at least \$5.6 million starting in July for its service quality performance in 2004.

The credits result from Xcel's failure to meet standards for customer outage minutes contained in the company's annual quality of service plan. Although Xcel significantly reduced its system-wide outage minutes—from an average of 304.30 minutes per customer in 2003 to 94.11 minutes in 2004—it still failed to hit the target of 93 minutes or less per customer.

The company also missed one of two regional standards, reporting 132.96

minutes for the Front Range Region, which does not include the Denver metro and Boulder regions. The standard was 123.5 minutes or less per customer.

Based on Xcel's calculations, the results require the company to credit its electric customers 50 percent of the potential \$11.2 million at risk. Of that \$5.6 million, \$445,000 would go to Energy Outreach Colorado to provide low-income energy assistance.

The Public Utilities Commission (PUC) requires Xcel to meet certain annual service standards in three categories—electric service unavailability (outages), customer complaints to the PUC, and telephone

response time. If the company fails to meet the standards in any of the categories, it must refund money to customers. For 2004, the company met the standards in all categories except electric service unavailability.

The company's 2004 results include an adjustment to the outage minutes to reflect improvements in the reporting of outage events. Xcel said the adjustments are "necessary to provide a fair comparison between the company's 2004 outage date and the outage data used to set the (performance targets)." Without the adjustments, Xcel would owe the full 100 percent, or an additional \$5.6 million.

PUC staff and the Office of Consumer Counsel are reviewing the company's calculations. If disputes arise, the PUC likely would hold a hearing to resolve any differences.

Based on the \$5.6 million amount, Xcel would issue a one-time bill credit of about \$4 per customer during the July billing cycle.

Xcel returned about \$13.4 million to customers last year, which included \$10.3 million for its 2003 service quality performance, and an additional \$3.1 million for 2002 after the company discovered it had inaccurately reported its outage results for that year.

PUC sets hearing on power line application

Xcel Energy has applied for approval to build a new high-voltage transmission line between Pueblo and Denver, including a determination by the Public Utilities Commission (PUC) that the electromagnetic fields (EMF) and noise levels that would result from the operation of the line are reasonable.

The proposed Comanche-Daniels Park 345 kilovolt (kV) project would deliver electricity from a proposed new generation unit at the company's Comanche station, which was recently approved by the Public Utilities Commission (PUC), to the Daniels Park substation to serve customer loads in the Denver metro area.

The company estimates the transmission line project will cost between \$100 million and \$200 million and would be in service by May of 2009

to accommodate the in-service date of the new Comanche generating station.

The PUC will hold evidentiary hearings on the application June 22-24 in Denver. A public comment hearing has been scheduled for 7 p.m., June 14, in the Douglas County Philip S. Miller Building, commissioners' hearing room, 100 Third St., in Castle Rock.

In its application, Xcel is proposing to construct a new double-circuit, 345kV transmission line between the Comanche Station and the company's Midway Substation to join with the Midway-Daniels Park rebuild project approved by the PUC in 2004. Once connected, this double-circuit transmission facility would be operated at 345kV between Comanche and Daniels Park Substation.

As part of this project, an existing single-circuit, 230-kV line in the Midway-

Daniels Park corridor would also be rebuilt as a double-circuit facility capable of 345kV operation, but these circuits would be operated, for the time being, at 230kV.

Xcel also is requesting that the PUC make specific findings related to noise and EMF levels for the proposed line under a new law enacted by the Colorado legislature in 2004. This law allows the PUC to determine whether projected noise levels for electric transmission lines are reasonable, notwithstanding the maximum permissible noise levels otherwise established under Colorado law.

The PUC has made similar findings in previous dockets concerning Xcel transmission lines, but this will be the first test under the 2004 law.

A PUC decision on Xcel's application must be issued by this fall.

Cascade transfers control to District

Cascade Public Service Company has completed the transfer of its assets to a recently-formed special water district.

Control of the small water company just northwest of Colorado Springs was transferred on April 1 to the Cascade Metropolitan District No. 1. The district was created last November for the purpose of acquiring, owning and operating on a permanent basis the private water supply, treatment and distribution systems serving about 335 customers in Cascade.

Cascade Public Service Company experienced financial problems in recent years maintaining and operating its water system. As a metropolitan district, Cascade now has an opportunity to access public funds and governmental financing instruments that were not available as a privately-owned entity.

"The district will provide a reliable, permanent, governmental organization for the provision of necessary water services to the public," the company stated. "Through the proposed transfer, the district intends to provide the most cost-effective, least expensive method to accomplish the needed improvements."

The Public Utilities Commission (PUC) approved the transfer application in January, and closing of the deal was completed by the end of March.

The transfer from a private water company to a special district removes the utility from PUC jurisdiction. By law, special water districts are exempt from PUC regulation. The district will be governed by its own board of directors.

As a result of the transfer, there are just two public water utilities in Colorado regulated by the PUC. The PUC has authority over Lake Durango Water Company west of Durango and Octal Resources, doing business as O'Neal Water Supply east of Pueblo.

Xcel pilot to test time-of-use electric rates

The Colorado Public Utilities Commission (PUC) has given Xcel Energy approval to move forward with a pilot program that is designed to encourage customers to reduce consumption of electricity during the summer peak load period.

The Residential Price Response Pilot Program will give residential customers an opportunity to save money on their electric bills if they reduce usage during afternoon hours during the summer when electric use is at its highest.

The program will be voluntary and offered to residential customers in the Denver metro and Boulder areas that use at least 1,800 kilowatt-hours of electricity during the months of June through August. About 4,000 customers will be chosen to participate in the trial program.

The program is designed to accomplish two goals—providing customers better price signals and encouraging efficient consumption; and allowing Xcel to

evaluate the public's acceptance of the price signals and whether the program can be cost effective. The pilot will consist of three different rates:

- A Residential Time-of-Use (RTOU) rate, with an on-peak period applicable to summer weekdays from 2-8 p.m.;
- A Residential Critical-Peak Pricing (RCPP) rate, where the company will charge premium on-peak prices applicable to summer weekdays from 2-8 p.m. for up to 10 days per summer. When the company sees a critical day coming, it will provide day-ahead notice to participating customers that the upcoming day will have pre-set premium prices for peak consumption;
- A Residential Critical Time-of-use (RCTOU) rate that combines the attributes of the other two rates.

Historically, Xcel's residential class has been a winter peaking class, which when combined with other customer classes that

peak in the summer, helped to offset the system peak. This is changing due to increased use of central air conditioning. In 1996, only 22 percent of residential customers had central air conditioning; by 2003 that number had risen to 35 percent.

As a result of this change, Xcel has begun to experience "needle peaks" during the summer. The electricity required to serve these peaks is usually the most expensive that an utility can acquire. The pilot program is designed to develop prices that better reflect the actual costs incurred to provide service, and to encourage conservation during peak periods.

The actual testing phase of the project will run from July 15, 2006, through July 14, 2007. Xcel will file evaluate the results and provide a report to the PUC by Dec. 31, 2007. Then, by March 31, 2008, Xcel will file an application to terminate the program or expand it to all customers, based on the success of the pilot program.

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NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

JANUARY 2002

711 dialing provides fast access to Relay Colorado

A new abbreviated number that allows quick access to the Relay Colorado Service is now operational in Colorado, according to **Joe Benedetto**, Relay Administrator for the Colorado Public Utilities Commission. The new 711 service is easy, secure, free and available 24 hours a day.

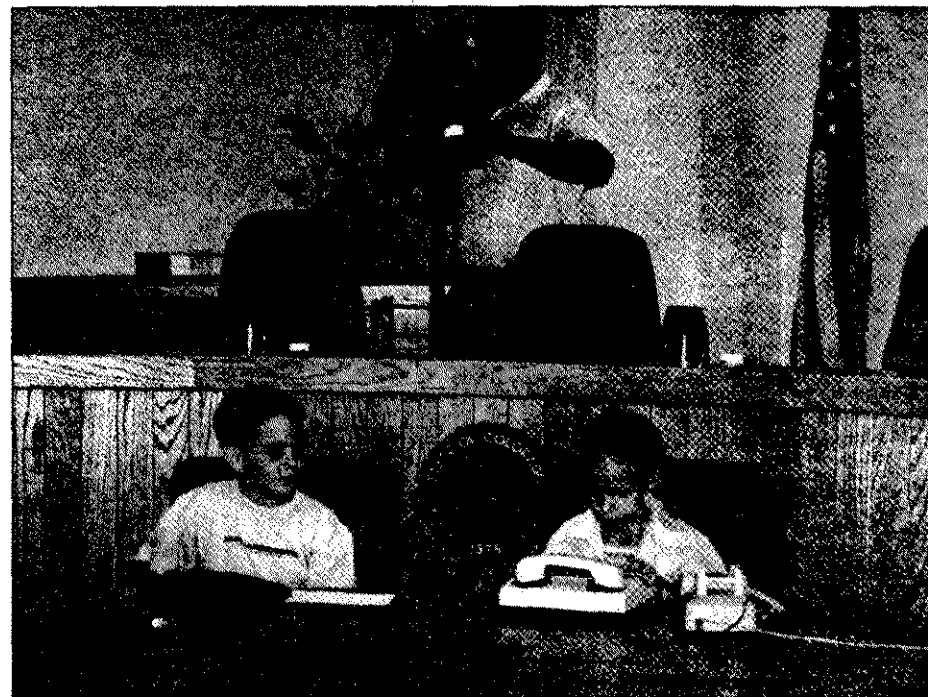
Relay Colorado is a telephone service that enables people who are deaf, hard-of-hearing or speech-disabled to communicate on the telephone with a hearing party. Benedetto said with the implementation of 711, all callers can quickly access the Relay Colorado Service without needing to use a 10-digit toll-free number.

Similar to 411 for telephone information or 911 for emergencies, 711 has been designated by the Federal Communications Commission as a national three-digit number for relay access. By reducing the number of

digits needed for accessing relay services, nationwide implementation of 711 makes relay access convenient, fast and uncomplicated. All telecommunications carriers nationwide were required by the FCC to implement 711 dialing on Oct. 1, 2001.

"We believe 711 will be very beneficial to people traveling throughout the United States, as well as first-time users who are unsure how to access the relay," Benedetto said. "It will improve access to Relay Colorado, and encourage and facilitate communication among individuals with hearing or speech disabilities and voice users."

The Colorado Legislature created the relay program in 1989. Colorado was the second state in the country to provide relay services, which later became mandatory with the passage of the Americans with Disabilities Act at the federal level. About 58,000 Colo-



Nine-year-old Lauren Ellis (right) and 10-year-old Dusty Reinmuth demonstrate how the new 711 relay access works during a news conference at the Public Utilities Commission.

rado relay calls are made each month.

Funding for the program is generated by a 10-cent monthly surcharge on all customers' telephone

bills. Sprint Communications has provided the state's relay services since 1990, and is contracted to provide the service through at least 2004.

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2006

UNCC petitions for 8-1-1 dialing code in Colorado

The Utility Notification Center of Colorado, Inc. (UNCC) has petitioned the Colorado Public Utilities Commission (PUC) for assignment and implementation of an 8-1-1 dialing code for receiving notifications related to underground excavation.

The Federal Communications Commission (FCC) in 2005 designated 8-1-1 as the national abbreviated dialing code to be used by state "one-call" notification centers for providing advanced notice of excavation activities to owners and operators of underground facilities in compliance with the Pipeline Safety and Improvement Act of 2002. FCC rules direct that entities may request 8-1-1 codes to ensure that all carriers, including wireline, wireless and pay-phone service providers, comply with

the deployment of the 8-1-1 dialing code no later than April 13, 2007.

The PUC adopted emergency rules last November in order to establish a process for implementation of the 8-1-1 dialing code in Colorado.

UNCC is the statewide notification association of owners and operators of underground facilities created by the Colorado Legislature in 1981. UNCC, a non-profit corporation, serves

as a communications link between the excavator and the member facility owners and operators to provide crucial information regarding the location of underground facilities prior to excavation.

By law, an excavator must contact UNCC prior to commencing excavation. UNCC notifies the member facility

owner or operator of the planned excavation and the facility owner marks the location of the underground facility. The "one call" process greatly reduces the likelihood of damage to underground facilities and the likelihood of injury to any person working at an excavation site.

UNCC currently uses a statewide toll-free telephone number (1-800-922-1987) and the Internet to receive notifications and requests from excavators. If its petition to implement 8-1-1 dialing is granted, it would still retain its toll-free number and website capabilities so excavators continue to have other options for reaching UNCC, in addition to 8-1-1.

In its petition, UNCC stated that it anticipated that the costs related to the conversion of the 8-1-1 system will be absorbed by UNCC and will be a part of the cost of providing service. UNCC

said initial discussions with telecom providers have indicated that it would be a nominal amount to perform the translation of the calls and some providers will perform the necessary translation free of charge.

The PUC is expected to discuss the request in May.



**Know what's below.
Call before you dig.**

Abbreviated Dialing Codes Used in Colorado

2-1-1	Community Health and Human Services
3-1-1	Non-Emergency Government Services
4-1-1	Directory Assistance
5-1-1	Traffic and Transportation Information
7-1-1	Access to Telephone Relay Services
8-1-1	One Call Notification (Proposed)
9-1-1	Emergency Services